REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and subsidiaries and the Bank's financial statements of Bank of Ayudhya Public Company Limited, which comprise the consolidated and Bank's statements of financial position as at December 31, 2015, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2015, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Permsak Wongpatcharapakorn
Certified Public Accountant (Thailand)
Registration No. 3427
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
February 24, 2016

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
ASSETS				
CASH	33,689,886	31,154,503	33,595,831	31,077,762
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.2)	194,094,463	80,363,742	192,212,476	77,210,265
DERIVATIVES ASSETS (Note 7.3)	35,657,181	2,653,196	35,657,181	2,653,196
INVESTMENTS, NET (Note 7.4)	110,026,901	60,572,815	110,010,315	60,852,251
INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, NET (Note 7.5)	1,575,581	1,217,448	48,895,618	48,231,169
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 7.6)				
Loans to customers	1,353,558,616	1,057,635,974	1,238,706,187	904,469,031
Accrued interest receivables	3,572,495	2,636,440	2,359,771	1,557,735
Total loans to customers and accrued interest receivables	1,357,131,111	1,060,272,414	1,241,065,958	906,026,766
Less Deferred revenue	(50,104,606)	(44,875,328)	(27,093,462)	(14,279,451)
Less Allowance for doubtful accounts (Note 7.7)	(43,218,108)	(38,159,030)	(26,286,904)	(19,796,925)
Less Revaluation allowance for debt restructuring (Note 7.8)	(1,725,739)	(1,616,773)	(412,397)	(563,209)
Net loans and accrued interest receivables	1,262,082,658	975,621,283	1,187,273,195	871,387,181
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	558,322	508,328	558,322	508,328
PROPERTIES FOR SALE, NET (Note 7.9)	5,049,764	5,456,180	2,857,041	2,842,702
PREMISES AND EQUIPMENT, NET (Note 7.10)	20,993,113	19,952,366	19,320,134	18,219,369
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 7.11)	14,477,378	14,583,611	3,831,864	3,394,164
DEFERRED TAX ASSETS (Note 7.12)	5,369,190	4,982,739	703,283	485,060
ACCOUNTS RECEIVABLE FOR INVESTMENTS	1,036,546	2,133,297	1,036,546	2,133,297
OTHER ASSETS, NET (Note 7.13)	20,905,527	12,162,110	16,599,421	7,745,702
TOTAL ASSETS	1,705,516,510	1,211,361,618	1,652,551,227	1,126,740,446

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2015

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
LIABILITIES AND EQUITY				
DEPOSITS (Note 7.14)	1,046,289,670	837,555,978	1,052,071,691	843,747,653
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.15)	275,059,500	46,612,062	277,245,782	48,256,752
LIABILITY PAYABLE ON DEMAND	3,210,983	1,935,682	3,210,983	1,935,682
DERIVATIVES LIABILITIES (Note 7.3)	26,692,658	2,159,708	26,692,658	2,159,708
DEBT ISSUED AND BORROWINGS (Note 7.16)	108,120,551	151,805,341	88,277,551	97,267,531
BANK'S LIABILITY UNDER ACCEPTANCE	558,322	508,328	558,322	508,328
PROVISIONS (Note 7.17)	6,758,757	5,450,935	6,138,420	4,931,302
DEFERRED TAX LIABILITIES (Note 7.12)	32,179	24,036	-	-
ACCOUNTS PAYABLE FOR INVESTMENTS	1,118,197	518	1,118,197	518
OTHER LIABILITIES (Note 7.19)	46,927,975	33,639,023	30,658,643	16,023,896
TOTAL LIABILITIES	1,514,768,792	1,079,691,611	1,485,972,247	1,014,831,370
EQUITY				
SHARE CAPITAL (Note 7.20)				
Authorized share capital				
7,574,143,747 ordinary shares of Baht 10 each	75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital				
7,355,761,773 ordinary shares of Baht 10 each	73,557,618		73,557,618	
6,074,143,747 ordinary shares of Baht 10 each		60,741,437		60,741,437
PREMIUM ON ORDINARY SHARES	52,878,749	13,802,216	52,878,749	13,802,216
OTHER RESERVES	1,981,132	7,337,670	1,958,374	7,310,755
RETAINED EARNINGS				
Appropriated				
Legal reserve	3,584,800	2,877,700	3,584,800	2,877,700
Unappropriated	58,352,894	46,451,470	34,599,439	27,176,968
TOTAL BANK'S EQUITY	190,355,193	131,210,493	166,578,980	111,909,076
NON-CONTROLLING INTEREST	392,525	459,514	-	-
TOTAL EQUITY	190,747,718	131,670,007	166,578,980	111,909,076
TOTAL LIABILITIES AND EQUITY	1,705,516,510	1,211,361,618	1,652,551,227	1,126,740,446

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Mr. Pornsanong Tuchinda)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
INTEREST INCOME (Note 7.28)	81,946,689	74,608,546	57,426,564	49,117,190
INTEREST EXPENSES (Note 7.29)	25,596,345	26,665,047	24,637,285	24,698,154
INTEREST INCOME, NET	56,350,344	47,943,499	32,789,279	24,419,036
FEES AND SERVICE INCOME	22,670,208	19,191,682	11,260,771	9,130,605
FEES AND SERVICE EXPENSES	5,440,602	4,421,274	2,814,706	2,144,900
FEES AND SERVICE INCOME, NET (Note 7.30)	17,229,606	14,770,408	8,446,065	6,985,705
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET (Note 7.31)	3,215,541	1,574,183	3,230,853	1,581,358
GAINS ON INVESTMENTS, NET (Note 7.32)	409,042	1,237,125	409,042	1,197,636
SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD	358,241	159,285	-	-
DIVIDEND INCOME	170,908	239,461	5,476,532	9,957,016
BAD DEBTS RECOVERIES	3,042,248	3,054,245	118,930	46,774
GAINS ON SALE PROPERTIES FOR SALE	995,968	655,673	456,864	250,233
OTHER OPERATING INCOME	1,001,184	1,126,505	970,127	541,362
TOTAL OPERATING INCOME	82,773,082	70,760,384	51,897,692	44,979,120
OTHER OPERATING EXPENSES				
Employee's expenses	18,914,085	16,101,921	13,619,533	10,481,916
Directors' remuneration	48,242	48,445	45,332	42,930
Premises and equipment expenses	6,830,942	6,451,861	5,308,066	4,808,536
Taxes and duties	2,548,037	2,114,760	1,830,085	1,420,777
Others	10,605,817	9,582,924	5,555,001	4,776,899
Total other operating expenses	38,947,123	34,299,911	26,358,017	21,531,058
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES (Note 7.33)	20,185,840	18,106,553	9,192,820	5,050,000
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	23,640,119	18,353,920	16,346,855	18,398,062
INCOME TAX EXPENSES (Note 7.34)	4,787,816	4,030,750	2,206,800	1,701,204
NET PROFIT	18,852,303	14,323,170	14,140,055	16,696,858

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT : '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2015	**2014**	**2015**	**2014**
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain on remeasuring available-for-sales investment		6,251	1,309,425	6,251	1,326,008
Gain arising from translating the financial statements of a foreign operation		3,896	630	-	-
Income tax relating to components of other comprehensive income (Note 7.35)		(1,250)	(261,885)	(1,250)	(265,202)
Items that will not be reclassified subsequently to profit or loss:					
Actuarial losses on defined benefit plans		(289,131)	(527,908)	(262,342)	(470,151)
Share of other comprehensive income of joint venture		(108)	-	-	-
Income tax relating to components of other comprehensive income (Note 7.35)		57,840	105,582	52,468	94,030
Total other comprehensive income, net		(222,502)	625,844	(204,873)	684,685
TOTAL COMPREHENSIVE INCOME		18,629,801	14,949,014	13,935,182	17,381,543
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		18,634,185	14,169,527	14,140,055	16,696,858
Non-controlling interest		218,118	153,643	-	-
		18,852,303	14,323,170	14,140,055	16,696,858
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		18,410,036	14,796,139	13,935,182	17,381,543
Non-controlling interest		219,765	152,875	-	-
		18,629,801	14,949,014	13,935,182	17,381,543
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	**BAHT**	2.54	2.33	1.93	2.75
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**SHARES**	7,341,716,644	6,074,143,747	7,341,716,644	6,074,143,747

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Mr. Pornsanong Tuchinda)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS										
	Owners of the Bank									Non-	
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings		Total Bank's Equity	Controlling Interest	Total
			Asset Appraisal Surplus	Revaluation Surplus (deficit) on Investments	Foreign Currency Translation	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2014	60,741,437	13,802,216	6,672,878	(100,442)	-	-	2,042,700	38,115,540	121,274,329	278,899	121,553,228
Change in revaluation surplus	-	-	(282,747)	-	-	-	-	282,747	-	-	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	-	(4,859,315)	(4,859,315)	(46)	(4,859,361)
Increase in legal reserve	-	-	-	-	-	-	835,000	(835,000)	-	-	-
Total comprehensive income	-	-	-	1,047,540	441	-	-	13,748,158	14,796,139	152,875	14,949,014
Change in shareholding in subsidiary company	-	-	-	-	-	-	-	(660)	(660)	27,786	27,126
Balance as of December 31, 2014	60,741,437	13,802,216	6,390,131	947,098	441	-	2,877,700	46,451,470	131,210,493	459,514	131,670,007
Balance as of January 1, 2015 as previously reported	60,741,437	13,802,216	6,390,131	947,098	441	-	2,877,700	46,451,470	131,210,493	459,514	131,670,007
Effects on application of the new accounting policy (Note 3)	-	-	-	-	-	-	-	(55,627)	(55,627)	-	(55,627)
Balance as of January 1, 2015 as adjusted	60,741,437	13,802,216	6,390,131	947,098	441	-	2,877,700	46,395,843	131,154,866	459,514	131,614,380
Issue of ordinary shares related to business combination	12,816,181	39,076,533	-	-	-	(5,217,755)	-	-	46,674,959	-	46,674,959
Change in revaluation surplus	-	-	(146,511)	-	-	-	-	146,511	-	-	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	-	(5,884,610)	(5,884,610)	(286,775)	(6,171,385)
Increase in legal reserve	-	-	-	-	-	-	707,100	(707,100)	-	-	-
Total comprehensive income	-	-	-	5,001	2,727	-	-	18,402,308	18,410,036	219,765	18,629,801
Change in shareholding in subsidiary company	-	-	-	-	-	-	-	(58)	(58)	21	(37)
Balance as of December 31, 2015	73,557,618	52,878,749	6,243,620	952,099	3,168	(5,217,755)	3,584,800	58,352,894	190,355,193	392,525	190,747,718

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT : '000

	THE BANK'S FINANCIAL STATEMENTS							
	Issued and Paid-up Share Capital	**Premium on Share Capital**	**Other reserves**			**Retained Earnings**		**Total**
			Asset Appraisal Surplus	**Revaluation Surplus (deficit) on Investments**	**Deficit from Business Combination under Common Control**	**Appropriated Legal Reserve**	**Unappropriated**	
Balance as of January 1, 2014	60,741,437	13,802,216	6,645,590	(113,709)	-	2,042,700	16,268,614	99,386,848
Change in revaluation surplus	-	-	(281,933)	-	-	-	281,933	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	(4,859,315)	(4,859,315)
Increase in legal reserve	-	-	-	-	-	835,000	(835,000)	-
Total comprehensive income	-	-	-	1,060,807	-	-	16,320,736	17,381,543
Balance as of December 31, 2014	60,741,437	13,802,216	6,363,657	947,098	-	2,877,700	27,176,968	111,909,076
Balance as of January 1, 2015 as previously reported	60,741,437	13,802,216	6,363,657	947,098	-	2,877,700	27,176,968	111,909,076
Effects on application of the new accounting policy (Note 3)	-	-	-	-	-	-	(55,627)	(55,627)
Balance as of January 1, 2015 as adjusted	60,741,437	13,802,216	6,363,657	947,098	-	2,877,700	27,121,341	111,853,449
Issue of ordinary shares related to business combination	12,816,181	39,076,533	-	-	(5,217,755)	-	-	46,674,959
Change in revaluation surplus	-	-	(139,627)	-	-	-	139,627	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	(5,884,610)	(5,884,610)
Increase in legal reserve	-	-	-	-	-	707,100	(707,100)	-
Total comprehensive income	-	-	-	5,001	-	-	13,930,181	13,935,182
Balance as of December 31, 2015	73,557,618	52,878,749	6,224,030	952,099	(5,217,755)	3,584,800	34,599,439	166,578,980

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Mr. Pornsanong Tuchinda)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	23,640,119	18,353,920	16,346,855	18,398,062
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	3,351,530	3,323,694	2,136,804	2,192,753
Deferred interest expenses	2,461	2,943	2,461	2,943
Impairment loss of loans and debt securities	20,185,840	18,106,553	9,192,820	5,050,000
(Gains) losses on translation in foreign currencies	8,269,182	(388,012)	8,269,182	(388,012)
Share of profit from investment for using equity method	(358,241)	(159,285)	-	-
Gains on investments	(409,042)	(1,237,125)	(409,042)	(1,197,636)
Increase (Decrease) in discount on investments	267,555	(1,594)	267,555	(1,806)
Gains on sales of properties for sale	(995,968)	(655,673)	(456,864)	(250,233)
(Gains) losses on sales of premises and equipment	(42,491)	(46,590)	7,948	(18,329)
Loss on impairment of properties for sale (reversal)	(301,248)	401,227	(375,071)	153,010
Loss on impairment of premises and equipment	2,477	3,891	-	-
Loss on impairment of other assets (reversal)	(107,848)	166,326	147,897	31,262
Provision for contingent liabilities (reversal)	62,360	(6,449)	62,360	(6,449)
Increase in other reserves	882,959	874,395	519,913	414,927
Interest income, net	(56,350,344)	(47,943,499)	(32,789,279)	(24,419,036)
Income tax refunded	69,906	-	-	-
Interest received	86,588,989	75,405,537	69,190,303	62,565,563
Interest paid	(25,494,321)	(26,420,850)	(24,432,604)	(24,772,820)
Dividend income	(170,908)	(239,461)	(5,476,532)	(9,957,016)
Dividend received	172,288	240,273	171,060	237,888
Increase in other accrued expenses	1,144,441	595,940	557,887	289,347
Income tax paid	(5,047,861)	(4,889,296)	(2,468,516)	(1,657,735)
Income from operations before changes in operating assets and liabilities	55,361,835	35,486,865	40,465,137	26,666,683
(Increase) decrease in operating assets				
Interbank and money market items	5,706,011	9,190,156	5,522,228	7,965,215
Derivatives assets	(10,199,157)	2,226,844	(10,199,157)	2,226,844
Current investments - securities for trading	5,417,357	(3,446,489)	5,713,379	(3,737,511)
Loans to customers	(82,689,635)	(87,336,442)	(103,115,323)	(86,428,100)
Properties for sale	9,165,437	1,804,645	3,372,843	351,538
Other assets	(7,635,071)	1,244,337	(8,069,357)	(1,432,649)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	59,292,461	73,639,714	58,882,806	75,491,049
Interbank and money market items	(7,856,059)	(8,850,251)	(7,314,467)	(8,412,487)
Liability payable on demand	694,150	(609,697)	694,150	(609,697)
Derivatives liabilities	8,718,898	(2,980,269)	8,718,898	(2,980,269)
Other liabilities	10,773,928	(3,174,040)	13,223,107	1,038,450
Net cash from operating activities	46,750,155	17,195,373	7,894,244	10,139,066
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	76,302,565	86,578,527	76,298,954	86,515,060
Cash paid for purchases of investments in securities	(48,465,058)	(68,433,590)	(48,465,058)	(68,414,667)
Cash paid for investment in subsidiaries	-	-	(2,100,000)	(18,400,000)
Cash paid for non-controlling interest form repatriation of subsidiary	-	(9)	-	-
Cash received for repatriation capital from investment in subsidiaries	-	-	1,435,550	-
Dividend received from subsidiaries	-	-	5,306,041	9,719,940
Proceeds from sales of premises and equipment	229,028	96,442	14,383	32,925
Cash paid for purchases of premises and equipment	(2,973,558)	(1,770,117)	(2,428,504)	(1,114,284)
Cash paid for purchases of other assets	(1,228,882)	(668,134)	(1,072,221)	(568,775)
Net cash from investing activities	23,864,095	15,803,119	28,989,145	7,770,199
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	251,940,430	231,134,487	240,325,830	200,486,800
Cash paid for repayment of debts issued and borrowings	(315,315,979)	(253,933,949)	(269,006,569)	(210,555,922)
Proceeds from business combination	71,767	-	71,767	-
Cash paid for repayment of liabilities under finance lease agreements	(26,141)	(30,988)	(26,141)	(30,988)
Dividend payment	(6,171,385)	(4,859,361)	(5,884,609)	(4,859,315)
Net cash from financing activities	(69,501,308)	(27,689,811)	(34,519,722)	(14,959,425)
Total	1,112,942	5,308,681	2,363,667	2,949,840
Gains arising from translating the financial statements of a foreign operation	2,727	441	-	-
Effect of exchange rate change on cash	154,402	(39,581)	154,402	(39,581)
Net increase in cash and cash equivalents	1,270,071	5,269,541	2,518,069	2,910,259
Cash and cash equivalents as at January 1,	34,198,183	28,928,642	31,077,762	28,167,503
Cash and cash equivalents as at December 31,	35,468,254	34,198,183	33,595,831	31,077,762

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Mr. Pornsanong Tuchinda)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. The Ministry of Commerce granted approval for the Bank and its subsidiaries to operate businesses under Foreign Business Act B.E. 2542 on September 26, 2014. As at December 31, 2015 and 2014, the Bank has 16 subsidiaries as follows:

1.1 Ayudhya Development Leasing Company Limited, was incorporated in Thailand on July 25, 1991, has changed its registered address from 65/182-185, 22nd Floor, Chamnan Phenjati Business Center, Rama IX Road, Huaykwang Subdistrict, Huaykwang District, Bangkok to 1222, 16th Floor, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business includes leasing and hire-purchase.

1.2 Ayudhya Capital Auto Lease Public Company Limited, was incorporated in Thailand on November 27, 1995 and is located at 87/2, 26th, 30th and 48th Floor, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.

1.3 Ngern Tid Lor Company Limited (formerly CFG Services Company Limited), was incorporated in Thailand on October 24, 2006, and is located at 89/170, 4th, 5th, 9th and 10th Floor, Juthamard Building, Viphavadi Rangsit Road, Talad Bangkhen Subdistrict, Laksi District, Bangkok. The subsidiary's main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.

1.4 Ayudhya Card Services Company Limited, was incorporated in Thailand on December 4, 1997 and is located at 1222, 5th A Floor, Building C, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is credit cards and personal loans. Currently, the subsidiary is in process of liqudation.

1.5 Ayudhya Capital Services Company Limited, was incorporated in Thailand on November 9, 1994 and is located at 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

1.6 General Card Services Limited, was incorporated in Thailand on January 24, 1995 and is located at 87/1, 1st-6th and 8th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

1.7 Krungsriayudhya Card Company Limited, was incorporated in Thailand on August 29, 1996 and is located at 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

1.8 Siam Realty and Services Company Limited, was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is car rental services and personnel services.

1.9 Total Services Solutions Public Company Limited, was incorporated as a public company limited in Thailand on May 19, 1997 and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary's main business is collection services.

1.10 Krungsri Asset Management Company Limited, was incorporated in Thailand on December 19, 1996 and is located at 898, 1st-2nd zone A, 12th and 18th Floor zone B, Ploenchit Tower Building, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.

1.11 Krungsri Ayudhya AMC Limited, was incorporated in Thailand on August 18, 2000 and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell assets transferred from financial institutions.

1.12 Krungsri Securities Public Company Limited, was incorporated in Thailand on April 16, 2004 and is located at 898, 3rd Floor, Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities businesses.

1.13 Krungsri Factoring Company Limited, was incorporated in Thailand on February 1, 2007 and is located at 1222, 19th Floor, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring.

1.14 Krungsri Life Assurance Broker Company Limited, which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.

1.15 Krungsri General Insurance Broker Company Limited, which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and is located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.

1.16 Krungsri Leasing Services Company Limited, which are owned by Ayudhya Capital Services Company Limited of 35% and Ayudhya Capital Auto Lease Public Company Limited of 35%, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014 and is located at 355, Unit 12, Kamphengmeung Road, Phonethan Village, Sayseththa District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions (FAP), the regulation of the Thai Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), where the form of financial statements is based on Thai Accounting Standard No. 1 (Revised 2014) "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT") Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for the convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

Thai Financial Reporting Standards announced but not effective in 2015

The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards, which are effective for the accounting period beginning on or after January 1, 2016 onwards. Thai Financial Reporting Standards which are related to the Bank and subsidiaries are as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events After the Reporting Period
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets

Thai Financial Reporting Standards (TFRS)

TFRS 3 (Revised 2015)	Business Combinations
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Standards Interpretations (TSI)

TSI 15 (Revised 2015)	Operating Leases - Incentives
TSI 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSI 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSI 32 (Revised 2015)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRI)

TFRI 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRI 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRI 13 (Revised 2015)	Customer Loyalty Programmes
TFRI 14 (Revised 2015)	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRI 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRI 18 (Revised 2015)	Transfers of Assets from Customers
TFRI 21 (Revised 2015)	Levies

The management of the Bank and subsidiaries anticipate that the above Thai Financial Reporting Standards will be adopted in the Bank and subsidiaries' financial statements when they become effective. The adoption of those standards will have no material impact on the financial statements of the Bank and its subsidiaries.

2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at December	
			2015	2014
Subsidiaries				
Ayudhya Development Leasing Company Limited	Leasing and hire-purchase	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ngern Tid Lor Company Limited (formerly CFG Services Company Limited)	Hire-purchase and motorcycle loans	Thailand	100.00	100.00
Ayudhya Card Services Company Limited[(1)]	Credit cards and personal loans	Thailand	100.00	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Service Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	98.71	98.71
Krungsri Factoring Company Limited	Factoring	Thailand	100.00	100.00
Krungsri Life Assurance Broker Limited[(2)]	Life assurance broker	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited[(2)]	General insurance broker	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited[(3)]	Hire-purchase, leasing and sales finance	Lao PDR	70.00	70.00

(1) Subsidiary is in the process of liquidation.
(2) Indirectly holding via Ayudhya Capital Services Company Limited of 100%
(3) Indirectly holding via Ayudhya Capital Services Company Limited of 35% and Ayudhya Capital Auto Lease Public Company Limited of 35%

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2015, the Bank and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2015. Thai Financial Reporting Standards which are related to the Bank and its subsidiaries are as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events After the Reporting Period
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible Assets

Thai Financial Reporting Standards (TFRS)

TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Standards Interpretations (TSI)

TSI 15 (Revised 2014)	Operating Leases - Incentives
TSI 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSI 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSI 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRI)

TFRI 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRI 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRI 13 (Revised 2014)	Customer Loyalty Programmes
TFRI 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRI 17 (Revised 2014)	Distributions of Non–cash Assets to Owners
TFRI 18 (Revised 2014)	Transfers of Assets from Customers

The Federation of Accounting Professions has issued the Notifications regarding the Conceptual Framework for Financial Reporting (Revised 2015) which are effective on November 6, 2015 onwards.

The above TFRSs and Conceptual Framework have no material impact to the Bank and its subsidiaries' financial statements except for the followings

New and revised TFRSs on Consolidated and Separate Financial Statements, Investment in Associates and Joint Ventures, Joint Arrangements and Disclosure of Interests in Other Entities

In December 2014, the Federation of Accounting Professions issued a package of five TFRSs comprising: TFRS 10 "Consolidated Financial Statement", TFRS 11 "Joint Arrangements", TFRS 12 "Disclosure of Interests in Other Entities", TAS 27 (Revised 2014) "Separate Financial Statements" and TAS 28 (Revised 2014) "Investments in Associates and Joint Ventures" to be effective to the financial statements for the period beginning on or after January 1, 2015 onwards.

From the assessment, TAS 27 (Revised 2014) "Separate Financial Statement" has no impact as this TFRSs applies to only the Bank's financial statements. For four remaining new and revised standards, the Bank and its subsidiaries have reviewed its investments in other entities to assess whether the conclusion to consolidate, classification and accounting for the investments are different from the previous TFRSs and what the additional financial disclosure are. No significant differences are found except for the classification of investment in Tesco Card Services Limited, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited as investment in joint venture in accordance with TFRS 11 "Joint Arrangements" as disclosed in Note 7.5 and per the accounting policy below. As investment in joint venture shall be accounted for using the cost method in the separate financial statements in accordance with TAS 27 (Revised 2014) "Separate Financial Statements" and equity method in the consolidated financial statements in accordance with TAS 28 (Revised 2014) "Investment in Associates and Joint Venture" the same as the accounting treatment applied when such investments were previously presented as investment in associates, there is no financial impact from this change.

Accounting policy for joint arrangement

A joint arrangement is an arrangement over which two or more parties have joint control. Investment in joint arrangement is classified as either joint operation or joint ventures, depending on the legal form, contractual rights and obligations, other factors and circumstances. The accounting for investment in join operation, the entity recognizes its direct right to the (and its share of) jointly held assets, liabilities, revenues and expenses of joint operation while investment in joint venture is accounted for using the equity method.

New TFRSs on fair value measurement

TFRS 13 "Fair Value Measurement" defines fair value, set out a single fair value measurement framework and disclosure requirements. This TFRS applies to both financial and non-financial instrument items for which other TFRSs require or permit fair value measurements and disclosures about fair value measurements except for certain items as detailed in TFRS.

In order to comply with TFRS 13, the counterparty's credit risk is required to be reflected in the fair value measurement as the credit valuation adjustment (CVA). CVA is an estimate of the adjustment to fair value of derivative products to account for the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions. CVA is calculated by taking the expected exposure (EE) multiply by probability of default (PD) and loss given default (LGD). The Bank and its subsidiaries have recognized the effect of this first time adoption by adjusting to the beginning retained earnings balance as at January 1, 2015 as allowed by TFRS on the transitional application as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015	THE BANK'S FINANCIAL STATEMENTS 2015
Retained earnings - Unappropriated		
Beginning balance as at January 1 before application of new accounting policy	46,451	27,177
Decrease in derivative assets	(70)	(70)
Increase in deferred tax assets	14	14
Beginning balance as at January 1 after application of new accounting policy	46,395	27,121
Derivative assets		
Beginning balance as at January 1 before application of new accounting policy	2,653	2,653
Decrease in derivative assets	(70)	(70)
Beginning balance as at January 1 after application of new accounting policy	2,583	2,583
Deferred tax assets		
Beginning balance as at January 1 before application of new accounting policy	4,983	485
Increase in deferred tax assets	14	14
Beginning balance as at January 1 after application of new accounting policy	4,997	499

Disclosure requirement of TFRS 13

Disclosure requirement of TFRS 13 needs not be applied in comparative information provided for period before the initial application. Therefore, the disclosure of fair value measurement for the balance as at December 31, 2014 has not been made for comparative purpose. The Bank and its subsidiaries' certain financial assets and liabilities are measured at fair value as at December 31, 2015. The information relating to fair value measurement is summarized in the Note 5.5.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

4.2.1 Derivatives for trading are recorded at fair value and profit or loss from the price appraisal are recognized as income or expense in the statements of profit or loss and other comprehensive income.

4.2.2 Derivatives for hedging are recorded and profit or loss from the price appraisal are recognized as income or expense based on the accrual basis in line with the underlying transactions.

4.3 Investments

The Bank and its subsidiaries' investments which consist of debt securities and equity securities are classified as trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015, requiring commercial banks to present the investments as investments, net and investments in subsidiaries, associates companies and joint ventures, net.

Investments are initially recognized on the trade date.

Trading securities represent securities acquired with the intention to hold short-term to benefit from the anticipated changes in market value. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of profit or loss and other comprehensive income. Interest earned and dividends received from trading securities are recognized using the accrual basis of accounting as interest income and dividend income, respectively.

Debt securities which the Bank and subsidiaries have the intention and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any. Valuation allowances are established

to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the sale, disposition or a permanent decline in value occurs on such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of profit or loss and other comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in associated companies and joint ventures are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associated companies are accounted for by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of profit or loss and other comprehensive income.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of profit or loss and other comprehensive income.

Cost of securities sold during the year is computed by using the weighted average method. Realized gains or losses from sales of debt and equity securities are included in the statements of profit or loss and other comprehensive income.

4.4 Loans to customers

Overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivable and finance lease receivable are carried at contract amount plus initial direct cost.

Other loans are stated at the principal amounts.

Unearned discount from notes are presented in deferred revenue.

Unearned interest income and deferred subsidy income on hire-purchase contract and finance lease are presented in deferred revenue and recognized by the effective interest rate method.

Initial direct cost is recognized by the effective interest rate method.

4.5 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which excludes collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, the Bank and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

Allowance for doubtful accounts for hire-purchase receivables of the Bank and its subsidiaries are calculated 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.

Loans to customers are written-off in the year that they are determined to be irrecoverable. Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts. Bad debt and doubtful accounts are shown as expenses in the statements of profit or loss and other comprehensive income.

Bad debt recovery is recorded as income in the statements of profit or loss and other comprehensive income when received.

4.6 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other form such as modifications of terms, asset transfers, equity securities transfers, and etc. are recognized as expenses in the statements of profit or loss and other comprehensive income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method to estimate a loss amount and the net present value method which represents expected future cash flows by applying the discounted market interest rate on the restructuring date. Losses from such debt restructurings are recognized in the statements of profit or loss and other comprehensive income.

The Bank has recalculated the fair value of restructured debts in every month based on the discounted market interest rate as of the processing date and based on the discounted market interest rate as of the financial statements date that shown every quarter, except for commercial loan, the recalculation based on the discounted interest rate at contractual rate. The Bank adjusts the valuation on debt restructured for any change on monthly basis, in accordance with the BOT's criteria. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables incurred prior to January 1, 2013, that are subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value in the statements of profit or loss and other comprehensive income for the year and classified investments in receivables as loans in accordance with the BOT's criteria.

4.7 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

4.8 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank and its subsidiaries' suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Leased assets

Leases under which the Bank and its subsidiaries assume substantially all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10 - 50	years
Equipment, furniture, fixtures, office equipment and vehicle	3 - 10	years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other expenses in the statements of profit or loss and other comprehensive income.

4.9 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 5 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network, are calculated by the projected cash flow over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.10 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis, except interest income on hire-purchase contract is recognized by the effective interest rate method.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

The Bank and its subsidiaries are required by the BOT to stop accruing interest income for debtors when more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on a cash basis.

The asset management subsidiary recognizes interest income from investment in receivable and loans by using the market interest rate plus a risk premium that represents the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection where the subsidiary recognizes interest income from such investments in receivable and loans on a cash basis.

The hire-purchase business recognize income for finance leases and hire-purchase contracts by the effective interest rate method.

4.11 Recognition of expenses

The Bank and its subsidiaries recognize expenses, including interest expenses on an accrual basis.

4.12 Employee benefits

The Bank and subsidiaries have 3 types of employee benefits as follows:

4.12.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Member is required to make contribution at the rate of not less than 3% of salary but not more than the Bank and subsidiaries' contribution.

The Bank and its subsidiaries will contribute as follows:

Service periods	**Contribution rate (%)**
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.12.2 Post-employment benefit obligations

- Pension plan

The employees who were permanently employed prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the Bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

- Special retirement allowance

The employee will receive "Special Retirement Allowance" additional to legal severance payment plan upon resignation in accordance with the Bank's policy.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income.

4.12.3 Benefit from carry forward leave

The benefit from cumulative carry forward leave is recognized as a liability in the statement of financial position and employee's expenses in the statement of profit or loss and other comprehensive income when the employees render the service.

4.13 Contributions to the Financial Institution and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and comprehensive income.

4.14 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per points.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.15 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

4.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's current tax is calculated using tax rates that have been enacted or substantively enacted on the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary

differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

4.16 Earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the year.

4.17 Foreign currency transactions

4.17.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income.

4.17.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operation are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operation are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under shareholders equity.

4.18 Business combination

Business combination which is not under common control

The Bank recognises the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

Business combination under common control

The Bank recognises the business combination under common control similar to pooling of interests in accordance with the accounting guidance "Business Combination Under Common Control". The assets and liabilities of the acquiree are recognised using the net book value at the date of business combination. The difference between the cost of business combination and the interest of the Bank in the acquiree's net book value is recognized as premium (deficit) from business combination under common control presented under the Bank' s equity in the statement of financial position.

5. RISK MANAGEMENT

5.1 Information of risk of the Bank

Through financial instruments both on-statement of financial position and off-statement of financial position, the Bank conducts its normal course of business to meet the financing needs of its customers, as well as for its investment purposes and to reduce exposure due to the fluctuations in foreign exchange rates and interest rates. The off-statement of financial position's financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of these instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The introduction of new derivative products require an approval from the Board of Directors. Operating processes, including the breach of prescribed limits, and risk control are governed under the Derivatives Product Program and BOT's notification regarding guidelines on risk management for derivatives transactions.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank reviews the policy on a regular basis and the Bank has adopted the policy in dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of allowance for doubtful accounts (see Note 7.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-statement of financial position's financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-statement of financial position's financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for the on-statement of financial position's financial instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

Interest rate risk

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings, change in fair value of financial instruments and the shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from mismatch in repricing rates of its assets, liabilities and contingencies.

Interest rate risk management is carried out by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO), which have been empowered by the Board of Directors with the authority to manage interest rate risk. ALCO is responsible for determining interest rate risk management, together with monitoring and controlling interest rate risk to ensure that it is at an acceptable risk appetite and in line with the interest rate risk management policy as approved by the Board of Directors. Bank will review such policy on a regular basis to commensurate with operating environments and changes in business.

The Bank employs various tools and method for its interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position and Value-at-Risk tool is employed for the trading book position to predict the Bank's potential maximum loss.

Foreign exchange rate risk

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from exchange rate fluctuations that affected foreign currency transactions and foreign currency assets and liabilities.

The Bank has a policy to cap its net foreign currency position. Most foreign currency transactions are mainly from services provided to the Bank's customers. In addition, the Bank enters into forward foreign exchange contracts as part of its risk management strategy of the foreign exchange risk arising from the Bank underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board of Directors and controlling procedures set by the relevant departments and Committees.

The Bank's Board of Directors is in charge of setting the limits for each specific currency and aggregate net FX position under an acceptable risk level and regularly reviews to be in line with business strategy and change in market circumstance, meanwhile the RMC and ALCO ensures that the limits remain within the specified amount. The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as the tool to manage the exchange rate risk and prepares a report on regular basis for the Bank's top management in the relevant departments.

Equity price risk

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purposed. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the positions.

The Bank's Board of Directors sets the total limit at an acceptable risk level and reviews it annually. The Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepares a report on regular basis for the Bank's management in relevant departments.

Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations when due because of its inability to convert assets into cash, or its failure to procure enough fund, or, if it can, that the fund comes with an exceptionally high cost that may affect incomes and capital fund now and in the future.

The Bank has established the liquidity risk management policy and the liquidity management guildeline. In addition, liquidity contingency plan and guildeline are formulated and conducted a plan testing to ensure readiness to deal with crisis situations. All of these are aimed at ensuring the efficiency of the Bank's liquidity risk management.

The Bank maintains an excess liquidity cushion at a level commensurate with the economic situation. The Bank seeks to ensure that there is adequate cash for its business and its subsidiaries' business operations. In addition, the maintenance of liquid assets is to comply with the BOT's requirements. Liquidity management utilizes qualitative and quantitative methods to ensure of appropriate risk diversification. Liquidity risk management of Bank is under the supervision of the ALCO. ALCO also monitors and manages liquidity risk to ensure that it is at an acceptable risk appetite and in line with the liquidity risk management policy as approved by the Board of Directors. The Bank reviews such policy on a regular basis to commensurate with business strategy and market circumstance that may be changed.

BOT has required commercial banks to prepare and submit the liquidity risk reports in accordance with the Basel III guidelines, namely, Report on Liquidity Coverage Ratio (LCR) and Report on Net Stable Funding Ratio (NSFR) so that the BOT can use the information for analyzing the impact and developing an appropriate guideline for Thailand going forward. In May 2015, BOT has announced guidelines on liquid assets to the expected net cash outflows over 30 days under acute stressed scenarios of at least 60% by January 2016. Therefore, the requirement will rise by 10% each year to reach 100% on January 2020 onwards. Bank has assessed impacts of compliance and calculated and reported the daily LCR ratios to relevant committee in order to ensure that complince will not have any impact on the liquidity risk management of the Bank and Consolidation.

5.2 Assets and liabilities classified by maturity of interest repricing

The Bank and its subsidiaries' financial assets and liabilities classified by maturity of interest repricing as at December 31, 2015 and 2014 are summarized as follows :

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015						
	Not over 3 Months	**Greater than 3-12 Months**	**Greater than 1-5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**Non-Interest Bearing**	**Total**
Financial assets							
Interbank and money market items, net	155,882	7,067	200	-	-	30,945	194,094
Investments, net	30,497	11,741	59,817	3,551	-	4,421	110,027
Loans to customers	698,200	193,963	296,548	21,273	32,239	61,231	1,303,454
Financial liabilities							
Deposits	782,118	229,983	4,552	22	-	29,615	1,046,290
Interbank and money market Items, net	135,516	129,655	4,788	868	-	4,233	275,060
Debt issued and borrowings	37,421	13,368	42,488	14,844	-	-	108,121

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014						
	Not over 3 Months	**Greater than 3-12 Months**	**Greater than 1-5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**Non-Interest Bearing**	**Total**
Financial assets							
Interbank and money market items, net	62,621	48	-	-	-	17,695	80,364
Investments, net	5,461	3,792	40,889	5,680	-	4,751	60,573
Loans to customers	601,132	116,231	196,846	8,369	29,988	60,195	1,012,761
Financial liabilities							
Deposits	613,893	199,007	4,422	-	-	20,234	837,556
Interbank and money market Items, net	25,697	6,437	10,621	-	-	3,857	46,612
Debt issued and borrowings	47,328	46,369	23,264	34,844	-	-	151,805

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015						
	Not Over 3 Months	**Greater than 3-12 Months**	**Greater than 1-5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**Non-Interest Bearing**	**Total**
Financial assets							
Interbank and money market items, net	154,813	7,067	200	-	-	30,132	192,212
Investments, net	30,497	11,741	59,817	3,551	-	4,404	110,010
Loans to customers	714,296	184,656	268,048	20,737	21,627	2,249	1,211,613
Financial liabilities							
Deposits	786,894	229,988	4,552	22	-	30,616	1,052,072
Interbank and money market Items, net	137,690	129,654	4,789	868	-	4,245	277,246
Debt issued and borrowings	37,421	7,500	28,513	14,844	-	-	88,278

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014						
	Not Over 3 Months	**Greater than 3-12 Months**	**Greater than 1-5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**Non-Interest Bearing**	**Total**
Financial assets							
Interbank and money market items, net	60,578	48	-	-	-	16,584	77,210
Investments, net	5,461	3,792	40,889	5,678	-	5,032	60,852
Loans to customers	621,450	76,752	166,972	7,533	16,452	1,031	890,190
Financial liabilities							
Deposits	619,065	199,015	4,422	-	-	21,246	843,748
Interbank and money market Items, net	27,311	6,468	10,621	-	-	3,857	48,257
Debt issued and borrowings	28,393	21,010	13,021	34,844	-	-	97,268

5.3 Interest bearing financial instruments

The following table presents the Bank's average outstanding balances and interest amounts of interest bearing financial instruments for the years ended December 31, 2015 and 2014.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	142,623	2,806	2.0	101,170	2,598	2.6
Investments	102,893	2,549	2.5	69,077	2,130	3.1
Loans to customers	1,224,140	76,592	6.3	954,295	69,881	7.3
Total	1,469,656	81,947		1,124,542	74,609	
Interest bearing financial liabilities						
Deposits	967,567	20,113	2.1	773,602	19,368	2.5
Interbank and money market items	234,057	1,665	0.7	73,211	1,485	2.0
Debt issued and borrowings	115,946	3,818	3.3	159,420	5,812	3.6
Total	1,317,570	25,596		1,006,233	26,665	

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	140,913	2,784	2.0	99,640	2,573	2.6
Investments	102,533	2,546	2.5	68,849	2,127	3.1
Loans to customers	1,125,477	52,097	4.6	832,941	44,417	5.3
Total	1,368,923	57,427		1,001,430	49,117	
Interest bearing financial liabilities						
Deposits	972,578	20,126	2.1	777,084	19,370	2.5
Interbank and money market items	236,130	1,690	0.7	74,618	1,504	2.0
Debt issued and borrowings	87,465	2,821	3.2	100,885	3,824	3.8
Total	1,296,173	24,637		952,587	24,698	

5.4 Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2015 and 2014.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015							
	Call	**Not Over 3 Months**	**Greater than 3 - 12 Months**	**Greater than 1 - 5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**No Maturity**	**Total**
Financial assets								
Interbank and money market items, net	52,475	92,208	32,417	16,729	-	-	265	194,094
Investments, net	-	24,815	11,849	65,993	3,760	-	3,610	110,027
Loans to customers	40,896	246,764	271,708	473,129	238,718	32,239	-	1,303,454
Financial liabilities								
Deposits	539,043	274,392	228,255	4,578	22	-	-	1,046,290
Interbank and money market items, net	8,618	260,443	347	4,784	868	-	-	275,060
Debt issued and borrowings	-	37,421	13,368	42,488	14,844	-	-	108,121

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014							
	Call	**Not Over 3 Months**	**Greater than 3 - 12 Months**	**Greater than 1 - 5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**No Maturity**	**Total**
Financial assets								
Interbank and money market items, net	18,153	51,827	57	10,047	-	-	280	80,364
Investments, net	-	4,701	3,791	41,405	5,613	-	5,063	60,573
Loans to customers	36,384	200,330	166,794	376,146	203,119	29,988	-	1,012,761
Financial liabilities								
Deposits	424,700	209,427	198,988	4,441	-	-	-	837,556
Interbank and money market items, net	11,350	26,505	4,070	4,687	-	-	-	46,612
Debt issued and borrowings	-	47,328	46,369	23,264	34,844	-	-	151,805

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015							
	Call	**Not Over 3 Months**	**Greater than 3 - 12 Months**	**Greater than 1 - 5 Years**	**Greater than 5 Years**	**Non-Performing Loans**	**No Maturity**	**Total**
Financial assets								
Interbank and money market items, net	51,204	91,597	32,417	16,729	-	-	265	192,212
Investments, net	-	24,815	11,849	65,993	3,759	-	3,594	110,010
Loans to customers	69,885	205,951	240,454	437,040	236,656	21,627	-	1,211,613
Financial liabilities								
Deposits	543,118	274,392	229,962	4,578	22	-	-	1,052,072
Interbank and money market items, net	10,803	260,444	348	4,783	868	-	-	277,246
Debt issued and borrowings	-	37,421	7,500	28,513	14,844	-	-	88,278

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014							
	Call	Not Over 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	16,250	50,576	57	10,047	-	-	280	77,210
Investments, net	-	4,701	3,791	41,405	5,908	-	5,047	60,852
Loans to customers	75,481	163,005	142,543	293,648	199,061	16,452	-	890,190
Financial liabilities								
Deposits	430,884	209,427	198,996	4,441	-	-	-	843,748
Interbank and money market items, net	12,964	26,505	4,101	4,687	-	-	-	48,257
Debt issued and borrowings	-	28,393	21,010	13,021	34,844	-	-	97,268

5.5 Estimated fair value of financial instruments

Fair value is the price that would be received from sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most aliquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial instruments are determined according to the following hierarchy:

Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date

Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable

Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial instruments as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	Measured at fair value	**Not measured at fair value**	**Total carrying amount**	**Measured at fair value**	**Not measured at fair value**	**Total carrying amount**
Financial assets:						
Cash	-	33,690	33,690	-	31,155	31,155
Interbank and money market items, net	-	194,094	194,094	-	80,364	80,364
Derivatives assets	28,910	6,747	35,657	2,653	-	2,653
Investments, net	108,831	1,196	110,027	60,206	367	60,573
Loans to customers and accrued interest receivables, net	-	1,262,083	1,262,083	-	975,621	975,621
Total	137,741	1,497,810	1,635,551	62,859	1,087,507	1,150,366
Financial liabilities:						
Deposits	-	1,046,290	1,046,290	-	837,556	837,556
Interbank and money market items, net	-	275,060	275,060	-	46,612	46,612
Liability payable on demand	-	3,211	3,211	-	1,936	1,936
Derivatives liabilities	25,794	899	26,693	2,160	-	2,160
Debt issued and borrowings	-	108,121	108,121	-	151,805	151,805
Total	25,794	1,433,581	1,459,375	2,160	1,037,909	1,040,069

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	Measured at fair value	**Not measured at fair value**	**Total carrying amount**	**Measured at fair value**	**Not measured at fair value**	**Total carrying amount**
Financial assets:						
Cash	-	33,596	33,596	-	31,078	31,078
Interbank and money market items, net	-	192,212	192,212	-	77,210	77,210
Derivatives assets	28,910	6,747	35,657	2,653	-	2,653
Investments, net	108,831	1,179	110,010	60,502	350	60,852
Loans to customers and accrued interest receivables, net	-	1,187,273	1,187,273	-	871,387	871,387
Total	137,741	1,421,007	1,558,748	63,155	980,025	1,043,180
Financial liabilities:						
Deposits	-	1,052,072	1,052,072	-	843,748	843,748
Interbank and money market items, net	-	277,246	277,246	-	48,257	48,257
Liability payable on demand	-	3,211	3,211	-	1,936	1,936
Derivatives liabilities	25,794	899	26,693	2,160	-	2,160
Debt issued and borrowings	-	88,277	88,277	-	97,268	97,268
Total	25,794	1,421,705	1,447,499	2,160	991,209	993,369

Financial instruments measured at fair value

Classification of financial instruments measured at fair value by the level of fair value hierarchy as at December 31, 2015 is summarized as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
		Fair value		**Carrying**
	Level 1	**Level 2**	**Total fair value**	**amount**
Derivatives assets - trading book	-	28,910	28,910	28,910
Trading investments	-	1,075	1,075	1,075
Available-for-sale investment	1,519	106,237	107,756	107,756
Derivative liabilities - trading book	-	25,794	25,794	25,794

There are no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 during the year ended December 31, 2015.

Valuation technique for financial instrument measured at fair value are as follows:

Derivative - trading book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association ("ThaiBMA"), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the Stock Exchange of Thailand ("SET"), the fair value is determined by using the last bid price of SET.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015				2014	
	Fair value			Carrying amount	Fair value	Carrying amount
	Level 2	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value			
Financial assets:						
Cash	-	33,690	33,690	33,690	31,155	31,155
Interbank and money market items, net	-	194,094	194,094	194,094	80,364	80,364
Derivatives assets - banking book	6,288	-	6,288	6,747	-	-
Held to maturity and general investments	-	1,196	1,196	1,196	367	367
Loans to customers and accrued interest receivables, net	-	1,262,083	1,262,083	1,262,083	975,621	975,621
Total	6,288	1,491,063	1,497,351	1,497,810	1,087,507	1,087,507
Financial liabilities:						
Deposits	1,046,795	-	1,046,795	1,046,290	837,803	837,556
Interbank and money market items, net	-	275,060	275,060	275,060	46,612	46,612
Liability payable on demand	-	3,211	3,211	3,211	1,936	1,936
Derivatives liabilities - banking book	1,024	-	1,024	899	-	-
Debt issued and borrowings	72,001	37,434	109,435	108,121	152,974	151,805
Total	1,119,820	315,705	1,435,525	1,433,581	1,039,325	1,037,909

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015				2014	
	Fair value			Carrying amount	Fair value	Carrying amount
	Level 2	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value			
Financial assets:						
Cash	-	33,596	33,596	33,596	31,078	31,078
Interbank and money market items, net	-	192,212	192,212	192,212	77,210	77,210
Derivatives assets - banking book	6,288	-	6,288	6,747	-	-
Held to maturity and general investments	-	1,179	1,179	1,179	350	350
Loans to customers and accrued interest receivables, net	-	1,187,273	1,187,273	1,187,273	871,387	871,387
Total	6,288	1,414,260	1,420,548	1,421,007	980,025	980,025
Financial liabilities:						
Deposits	1,052,577	-	1,052,577	1,052,072	843,994	843,748
Interbank and money market items, net	-	277,246	277,246	277,246	48,257	48,257
Liability payable on demand	-	3,211	3,211	3,211	1,936	1,936
Derivatives liabilities banking book	1,024	-	1,024	899	-	-
Debt issued and borrowings	51,893	37,434	89,327	88,277	98,108	97,268
Total	1,105,494	317,891	1,423,385	1,421,705	992,295	991,209

Valuation technique for financial instruments not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Held to maturity and general investments

The carrying amount of held to maturity and general investments presented in the statement of financial position is the approximated fair value.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for doubtful accounts.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices.

Derivative - banking book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

5.6 Capital funds

The Bank maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the BOT and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite of the Bank.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the BOT which is in line with the Basel III. As at December 31, 2015 and 2014, the Bank has capital fund and capital adequacy ratio as follows:

Unit : Million Baht

	Basel III Consolidated Supervision	
	2015	**2014**
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	60,741
Premium on share capital	52,879	13,802
Statutory reserve	3,585	2,878
Unappropriated retained earning	48,663	40,469
Other comprehensive income	6,514	6,631
Owner changes - other	(5,218)	-
Less Deduction items from Common Equity Tier 1	(17,672)	(17,602)
Total Common Equity Tier 1 capital	162,309	106,919
Additional Tier 1	1,346	1,337
Total Tier 1 capital	163,655	108,256
Tier 2 capital	28,911	39,423
Total capital fund	192,566	147,679
Total risk weighted assets	1,327,814	1,036,225

Capital adequacy ratio (%)

		Basel III Consolidated Supervision	
	BOT regulatory minimum requirement	**2015**	**2014**
Total Common Equity Tier 1 capital / Total risk weighted assets	4.5	12.22	10.32
Total Tier 1 capital / Total risk weighted assets	6.0	12.33	10.45
Total capital / Total risk weighted assets	8.5	14.50	14.25
Capital after deducting capital add-on arising from Single Lending Limit* (Million Baht)		192,566	-
Capital ratio after deducting capital add-on arising from Single Lending Limit*		14.50	-

* Effective in January 2015

Unit : Million Baht

	Basel III The Bank 2015	Basel III The Bank 2014
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	60,741
Premium on share capital	52,879	13,802
Statutory reserve	3,585	2,878
Unappropriated retained earning	24,376	23,592
Other comprehensive income	6,581	6,693
Owner changes - other	(5,218)	-
Less Deduction items from Common Equity Tier 1	(9,578)	(8,719)
Total Common Equity Tier 1 capital	146,183	98,987
Additional Tier 1	-	-
Total Tier 1 capital	146,183	98,987
Tier 2 capital	20,081	33,438
Total capital fund	166,264	132,425
Total risk weighted assets	1,219,813	901,315

Capital adequacy ratio (%)

	BOT regulatory minimum requirement	Basel III The Bank 2015	Basel III The Bank 2014
Total Common Equity Tier 1 capital / Total risk weighted assets	4.5	11.98	10.98
Total Tier 1 capital / Total risk weighted assets	6.0	11.98	10.98
Total capital / Total risk weighted assets	8.5	13.63	14.69
Capital after deducting capital add-on arising from Single Lending Limit* (Million Baht)		166,264	-
Capital ratio after deducting capital add-on arising from Single Lending Limit*		13.63	-

* Effective in January 2015

The Bank discloses the capital maintenance information under the Notification of the Bank of Thailand Re : Public Disclosure of Capital Maintenance for Commercial Bank with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	October 21, 2015
Information as at	June 30, 2015

The disclosure for the year ended December 31, 2015 will be provided on or before April 30, 2016 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles requires management to make estimates and assumptions under certain circumstances. Such estimates and assumption affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements that are differed estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for doubtful accounts

The Bank and its subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's guidelines. In addition, the Bank and its subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions, and the ability to repay loans and accrued interest receivable. The Bank and its subsidiaries consider the value of collateral when deemed the primary source of repayment comes from the sales of the collateral.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independently and/or internally performed appraisals.

6.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of assets

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

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same provision rate as that provided for the same debtor on the statement of financial position.

6.8 Significant judgement on classification of joint arrangement

Tesco Card Services Limited is a separate limited liability company that Ayudhya Capital Services Company Limited (A subsidiary of the Bank) holds 50% of interests under the joint arrangement agreement which requires unanimous consent from the parties to the agreement for the relevant activities. Furthermore, there is no contractual arrangement or any other facts and circumstances indicate that Ayudhya Capital Services Company Limited and the party to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. For Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited, they are also separate limited liability companies that Tesco Card Services Limited wholly holds 100% of interest. Accordingly, Tesco Card Services Limited, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited are classified as a joint venture of the Bank and its subsidiaries.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions of premises and equipment for the year ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Premises and equipment payable at the beginning of the years	555	291	455	226
Purchases of premises and equipment	3,156	2,034	2,552	1,343
Less Cash payment	(2,974)	(1,770)	(2,428)	(1,114)
Premises and equipment payable at the end of the years	737	555	579	455

7.1.2 Non-cash transactions of computer software for the year ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Computer software payable at the beginning of the years	300	97	283	69
Purchases of computer software	1,229	871	1,075	770
Less Cash payment	(1,229)	(668)	(1,072)	(556)
Computer software payable at the end of the years	300	300	286	283

7.1.3 Others non-cash transactions for the year ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Increase in revaluation surplus on investments	6	1,309	6	1,326
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	(178)	(356)	(173)	(352)
Properties for sale debt repayment	7,466	87	2,537	-
Properties and premises transferred to be properties foreclosed	19	20	19	20

7.1.4 On January 5, 2015, the Bank has completed the business transfer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Bangkok Branch ("BTMU's Bangkok Branch"), then allotted 1,281,618,026 newly issued ordinary shares as a private placement to The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") with the par value of Baht 10 per share and the offering price of Baht 40.49 per share as consideration and/or exchange for the transfer of business of BTMU's Bangkok Branch in accordance with the approval by the Board of Directors Meeting No.12/2014 held on December 17, 2014 under the resolution of the Extraordinary General Meeting of Shareholders No. 1/2013 held on October 31, 2013 to approve the private placement of not more than 1,500,000,000 newly issued ordinary shares with the par value of Baht 10 per share.

Book value of assets and liabilities of BTMU's Bangkok Branch of each item are as follows:

	Unit: Million Baht
Assets	
Cash	72
Interbank and money market items - net	115,012
Derivative assets	20,903
Investments - net	80,341
Loans to customers and accrued interest receivables - net	231,419
Others	1,064
	448,811
Liabilities	
Deposits	146,865
Interbank and money market items - net	216,837
Derivative liabilities	16,373
Debt issued and borrowings	19,691
Others	2,370
	402,136
Net assets	46,675
Deficit from business combination under common control	5,218
Purchase price	51,893

7.1.5 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	6,355	59,498	65,853	4,673	29,997	34,670
Commercial banks	1,355	1,485	2,840	1,711	1,251	2,962
Specialized financial institutions	-	48,288	48,288	-	-	-
Other financial institutions	202	27,633	27,835	5	30,580	30,585
Total	7,912	136,904	144,816	6,389	61,828	68,217
Add Accrued interest receivables	-	112	112	-	20	20
Less Allowance for doubtful accounts	-	(369)	(369)	-	(182)	(182)
Total domestic items	7,912	136,647	144,559	6,389	61,666	68,055
Foreign items						
US Dollar	27,262	4,602	31,864	9,610	299	9,909
Yen	13,697	56	13,753	165	-	165
Euro	514	-	514	512	-	512
Other currencies	3,090	313	3,403	1,475	248	1,723
Total	44,563	4,971	49,534	11,762	547	12,309
Add Accrued interest receivables	-	1	1	-	-	-
Total foreign items	44,563	4,972	49,535	11,762	547	12,309
Total domestic and foreign items	52,475	141,619	194,094	18,151	62,213	80,364

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	6,355	59,498	65,853	4,673	29,997	34,670
Commercial banks	204	874	1,078	-	-	-
Specialized financial institutions	-	48,288	48,288	-	-	-
Other financial institutions	202	27,633	27,835	5	30,580	30,585
Total	6,761	136,293	143,054	4,678	60,577	65,255
Add Accrued interest receivables	-	112	112	-	18	18
Less Allowance for doubtful accounts	-	(369)	(369)	-	(182)	(182)
Total domestic items	6,761	136,036	142,797	4,678	60,413	65,091
Foreign items						
US Dollar	27,156	4,602	31,758	9,439	299	9,738
Yen	13,697	56	13,753	165	-	165
Euro	514	-	514	512	-	512
Other currencies	3,076	313	3,389	1,456	248	1,704
Total	44,443	4,971	49,414	11,572	547	12,119
Add Accrued interest receivables	-	1	1	-	-	-
Total foreign items	44,443	4,972	49,415	11,572	547	12,119
Total domestic and foreign items	51,204	141,008	192,212	16,250	60,960	77,210

7.3 Derivatives

7.3.1 Fair value and the notional amount classified by type of risk as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2015 Fair value / Readjustment based on an accrual basis Assets	2015 Liabilities	2015 Notional Amount	2014 Fair value / Readjustment based on an accrual basis Assets	2014 Liabilities	2014 Notional Amount
Exchange rate	30,591	19,550	803,854	2,043	1,581	328,665
Interest rate	5,066	7,143	1,010,296	610	579	44,291
Total	35,657	26,693	1,814,150	2,653	2,160	372,956

7.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at December 31, 2015 and 2014 are as follows:

Counterparty	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2015 Proportion (%)	2014 Proportion (%)
Financial institution	58.93	82.94
Related company	27.08	0.41
Third party	13.99	16.65
Total	100.00	100.00

7.4 Investments, net

Investments, net as at December 31, 2015 and 2014 consisted of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2015				2014			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	1,074	1	-	1,075	4,251	2	(2)	4,251
Private sector's debt securities	-	-	-	-	16	-	-	16
	1,074	1	-	1,075	4,267	2	(2)	4,267
Add Revaluation allowance	1			-	-			-
Total	1,075			1,075	4,267			4,267
Securities Available-for-Sale								
Government and state enterprise securities	90,425	705	(1)	91,129	38,760	564	-	39,324
Private sector's debt securities	13,468	535	-	14,003	11,367	402	-	11,769
Domestic marketable equity securities	3,021	467	(516)	2,972	4,641	471	(253)	4,859
	106,914	1,707	(517)	108,104	54,768	1,437	(253)	55,952
Add Revaluation allowance	1,190			-	1,184			-
Less Allowance for impairment	(348)			(348)	(13)			(13)
Total	107,756			107,756	55,939			55,939
Securities Held-to-Maturity								
Private sector's debt securities	50				50			
Investment in accounts receivable	1,020				163			
	1,070				213			
Less Allowance for impairment	(64)				(64)			
Total	1,006				149			
Securities for General Investments								
Domestic non-marketable equity securities	377				408			
Foreign non-marketable equity securities	31				28			
	408				436			
Less Allowance for impairment	(218)				(218)			
Total	190				218			
Total Investments, net	110,027				60,573			

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2015				2014			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	1,074	1	-	1,075	4,251	2	(2)	4,251
Private sector's debt securities	-	-	-	-	312	-	-	312
	1,074	1	-	1,075	4,563	2	(2)	4,563
Add Revaluation allowance	1			-	-			-
Total	1,075			1,075	4,563			4,563
Securities Available-for-Sale								
Government and state enterprise securities	90,425	705	(1)	91,129	38,760	564	-	39,324
Private sector's debt securities	13,125	535	-	13,660	11,367	402	-	11,769
Domestic marketable equity securities	3,021	467	(516)	2,972	4,641	471	(253)	4,859
	106,571	1,707	(517)	107,761	54,768	1,437	(253)	55,952
Add Revaluation allowance	1,190			-	1,184			-
Less Allowance for impairment	(5)			(5)	(13)			(13)
Total	107,756			107,756	55,939			55,939
Securities Held-to-Maturity								
Private sector's debt securities	50				50			
Investment in accounts receivable	1,020				163			
	1,070				213			
Less Allowance for impairment	(64)				(64)			
Total	1,006				149			
Securities for General Investments								
Domestic non-marketable equity securities	344				375			
Foreign non-marketable equity securities	31				28			
	375				403			
Less Allowance for impairment	(202)				(202)			
Total	173				201			
Total Investments, net	110,010				60,852			

For the years ended December 31, 2015 and 2014, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Beginning balance	1,184	(125)	1,184	(142)
Increase (decrease) during the year	6	1,309	6	1,326
Ending balance	1,190	1,184	1,190	1,184

As at December 31, 2015 and 2014, the Bank and its subsidiaries had investments in general investments in the consolidated and the Bank's financial statements of 2 companies and 1 company, respectively, subject to being delisted from the SET, with cost of Baht 12 million and market price of Baht 0.

7.5 Investments in subsidiaries, associates and joint ventures, net

The Bank's investments in companies in which the Bank holds more than 20% of the paid-up capital, with the percentage of beneficial ownership and amount of investments as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

			CONSOLIDATED FINANCIAL STATEMENTS				
					2015		
Company Name	**Business Type**	**Securities Investment Type**	**Registered Share Capital**	**Proportion of Ownership Interest and Voting Power Held by the Bank (%)**	**Investment (Cost)**	**Investment (Equity Method)**	**Dividend**
Joint ventures							
Tesco Card Services Limited [1]	Credit cards and personal loans	Common Stock	2,080	50.00	1,040	1,404	-
Tesco Life Assurance Broker Limited [2]	Life assurance Broker	Common Stock	12	50.00	-	55	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common Stock	107	50.00	-	117	-
Associate							
Metro Designee Company Limited[3]	Special Purpose vehicle	Common Stock	-	22.00	-	-	-
Investments in associate and joint ventures, net					1,040	1,576	-

Unit: Million Baht

			CONSOLIDATED FINANCIAL STATEMENTS				
					2014		
Company Name	**Business Type**	**Securities Investment Type**	**Registered Share Capital**	**Proportion of Ownership Interest and Voting Power Held by the Bank (%)**	**Investment (Cost)**	**Investment (Equity Method)**	**Dividend**
Associates							
Tesco Card Services Limited [1]	Credit cards and personal loans	Common Stock	2,080	50.00	1,040	1,086	650
Tesco Life Assurance Broker Limited [2]	Life assurance Broker	Common Stock	12	50.00	-	52	5
Tesco General Insurance Broker Limited [2]	General insurance broker	Common Stock	107	50.00	-	79	15
Metro Designee Company Limited [3]	Special Purpose vehicle	Common Stock	-	22.00	-	-	-
Investments in associates, net					1,040	1,217	670

[1] Indirect holding via Ayudhya Capital Services Company Limited
[2] Indirect holding via Tesco Card Services Limited
[3] The Company which was established for the transfer of the throughout right as per the concession agreement between Mass Rapid Transit Authority of Thailand ("MRT") and Bangkok Expressway and Methor Public Company Limited ("BEM") (the Company is the result of the amalgamation between Bangkok Expressway Public Company Limited ("BECL") and Bangkok Metro Public Company Limited ("BMCL") in 2015) in case BEM breaches agreement with MRT or BEM breaches the loan agreement with the creditor group

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
			THE BANK'S FINANCIAL STATEMENTS 2015			
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	3,705	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	4,068
Ngern Tid Lor Company Limited (formerly CFG Services Company Limited)	Hire-purchase and motorcycle loans	Common stock Preferred stock	2,290	100.00	2,126 1	 300
Ayudhya Card Services Company Limited [1]	Credit cards and personal loans	Common stock	180	100.00	-	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,058	100.00	2,181	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	938
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Associated Company						
Metro Designee Company Limited [2]	Special purpose vehicle	Common stock	-	22.00	-	-
Investments in subsidiaries and associated company					53,848	5,306
Less Allowance for impairment					(4,952)	-
Investments in subsidiaries and associated company, net					48,896	5,306

[1] Subsidiary is in the process of liquidation.

[2] The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BEM in case BEM breaches agreement with MRT or BEM Breaches the loan agreement with the creditor group.

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
			THE BANK'S FINANCIAL STATEMENTS 2014			
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	1,905	99.99	2,129	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	-
Ngern Tid Lor Company Limited (formerly CFG Services Company Limited)	Hire-purchase and motorcycle loans	Common stock	1,990	100.00	1,826	600
		Preferred stock			1	-
Ayudhya Card Services Company Limited [1]	Credit cards and personal loans	Common stock	180	100.00	-	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	5,800
General Card Services Limited	Credit cards and personal loans	Common stock	2,058	100.00	2,181	1,300
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	2,000
Siam Realty and Services Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	20
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	100.00	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Associated Company						
Metro Designee Company Limited [2]	Special purpose vehicle	Common stock	-	22.00	-	-
Investments in subsidiaries and associated company					53,183	9,720
Less Allowance for impairment					(4,952)	-
Investments in subsidiaries and associated company, net					48,231	9,720

[1] Subsidiary is in the process of liquidation.

[2] The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Unit: Million Baht

	2015	2014
Cash flows from operating activities		
Income before income tax	208	492
Adjustments to reconcile income to cash provided (paid) from operating activities		
Bad debt and doubtful accounts	4	6
Loss on impairment of properties for sale	1	184
Depreciation and amortization	1	2
Gain on sales of properties for sale	(114)	(368)
Employment benefits expenses	4	40
Interest income, net	(98)	(119)
Interest received	98	124
Interest paid	-	(5)
Income tax paid	(82)	(180)
Income from operations before changes in operating assets and liabilities	22	176
Decrease in operating assets		
Investment in receivables	29	249
Loans to customers	8	100
Properties for sale	368	1,340
Other assets	38	135
Increase (decrease) in operating liabilities		
Other liabilities	(22)	(16)
Net cash from operating activities	443	1,984
Cash flows from investing activities		
Cash paid for purchases of equipment	(1)	-
Net cash from investing activities	(1)	-
Cash flows from financing activities		
Proceeds from bill of exchange issued	-	55
Cash paid for repayment of bill of exchange	-	(609)
Cash paid for repatriation capital	(1,435)	-
Net cash from financing activities	(1,435)	(554)
Net increase in cash and cash equivalents	(993)	1,430
Cash and cash equivalents as at January 1,	1,451	21
Cash and cash equivalents as at December 31,	458	1,451

7.6 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2015 and 2014 are as follows:

(1) Classified by products

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Overdrafts	54,637	59,049	54,532	58,918
Loan against contract	649,911	468,548	744,533	583,006
Trade bill	269,242	180,136	270,382	180,094
Hire-purchase receivable	309,212	279,665	164,227	81,095
Lease contract receivable	13,825	18,713	2,578	1,158
Credit card receivable	53,310	50,291	-	-
Others	3,422	1,234	2,454	198
Total	1,353,559	1,057,636	1,238,706	904,469
Less Deferred revenue	(50,105)	(44,875)	(27,093)	(14,279)
Loans to customers after deferred revenue, net	1,303,454	1,012,761	1,211,613	890,190
Add Accrued interest receivables	3,573	2,636	2,359	1,557
Loans to customers and accrued interest receivable after deferred revenue, net	1,307,027	1,015,397	1,213,972	891,747
Less Allowance for doubtful accounts				
1) BOT requirement :				
Individual approach	(22,966)	(19,099)	(17,621)	(12,966)
Collective approach	(6,912)	(5,556)	(3,428)	(1,267)
2) Surplus reserve	(13,340)	(13,504)	(5,238)	(5,564)
Less Revaluation allowance for debt restructuring	(1,726)	(1,617)	(412)	(563)
Total loans to customers, net	1,262,083	975,621	1,187,273	871,387

(2) Classified by currency and residence of debtors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	Domestic	**Foreign**	**Total**	**Domestic**	**Foreign**	**Total**
Baht	1,228,060	10,948	1,239,008	979,088	10,521	989,609
US Dollar	53,126	6,236	59,362	14,057	7,301	21,358
Other currencies	1,915	3,169	5,084	516	1,278	1,794
Total	1,283,101	20,353	1,303,454	993,661	19,100	1,012,761

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	Domestic	**Foreign**	**Total**	**Domestic**	**Foreign**	**Total**
Baht	1,136,251	10,948	1,147,199	856,518	10,520	867,038
US Dollar	53,126	6,232	59,358	14,057	7,301	21,358
Other currencies	1,915	3,141	5,056	516	1,278	1,794
Total	1,191,292	20,321	1,211,613	871,091	19,099	890,190

(3) Classified by business type and classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015					
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	13,747	1,104	86	109	764	15,810
Manufacturing and trading	336,142	14,798	2,675	2,714	3,442	359,771
Real estate and construction	74,491	2,923	915	691	880	79,900
Public utilities and services	140,557	4,879	481	524	1,836	148,277
Housing loans	154,115	1,881	1,102	1,269	1,790	160,157
Others	503,753	22,825	5,565	3,105	4,291	539,539
Total	1,222,805	48,410	10,824	8,412	13,003	1,303,454

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2014					
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	9,857	289	76	127	758	11,107
Manufacturing and trading	251,983	6,022	1,812	1,679	2,146	263,642
Real estate and construction	61,685	1,524	943	2,038	1,149	67,339
Public utilities and services	92,565	3,990	936	668	1,103	99,262
Housing loans	127,778	1,718	1,009	1,241	1,216	132,962
Others	405,878	19,484	5,255	2,848	4,984	438,449
Total	949,746	33,027	10,031	8,601	11,356	1,012,761

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015					
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	13,682	1,104	86	109	118	15,099
Manufacturing and trading	336,006	14,550	2,625	2,681	2,702	358,564
Real estate and construction	74,419	2,839	915	669	872	79,714
Public utilities and services	140,523	4,879	481	524	1,439	147,846
Housing loans	154,115	1,881	1,102	1,270	1,748	160,116
Others	436,808	9,180	1,969	1,649	668	450,274
Total	1,155,553	34,433	7,178	6,902	7,547	1,211,613

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014					
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	9,857	271	76	126	93	10,423
Manufacturing and trading	251,424	5,996	1,571	1,615	1,190	261,796
Real estate and construction	61,351	1,523	943	2,008	1,061	66,886
Public utilities and services	92,550	3,990	936	616	727	98,819
Housing loans	127,778	1,718	1,009	1,241	1,143	132,889
Others	314,111	3,169	1,405	505	187	319,377
Total	857,071	16,667	5,940	6,111	4,401	890,190

(4) Classified by type of classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance(3)**	**Allowance for Doubtful Accounts(4)**
1. Minimum allowance per BOT guideline				
Normal	1,226,187	845,656	1	9,204
Special mention	48,598	36,427	2, 13	3,802
Substandard	10,824	7,229	52, 100	6,255
Doubtful	8,412	4,692	49, 100	4,271
Doubtful of loss	13,006	5,459	100	6,346
Total	1,307,027	899,463		29,878(1)
2. Surplus Reserve				13,340(2)
Total				43,218

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance(3)**	**Allowance for Doubtful Accounts(4)**
1. Minimum allowance per BOT guideline				
Normal	952,203	593,981	1	6,665
Special mention	33,202	21,223	2, 13	3,239
Substandard	10,031	5,710	47, 100	4,969
Doubtful	8,601	3,519	47, 100	3,341
Doubtful of loss	11,360	5,866	100	6,441
Total	1,015,397	630,299		24,655(1)
2. Surplus Reserve				13,504(2)
Total				38,159

(1) Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2015 and 2014, of Baht 6,912 million and Baht 5,556 million, respectively

(2) Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2015 and 2014, at the rate of 1% of Baht 145,769 million and Baht 160,837 million equal to Baht 1,458 million and Baht 1,608 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements

(3) % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation.

(4) Excluding revaluation allowance for debt restructuring as at December 31, 2015 and 2014, of Baht 1,726 million and Baht 1,617 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2015 and 2014, of Baht 369 million and Baht 182 million, respectively

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance(3)**	**Allowance for Doubtful Accounts(4)**
1. Minimum allowance per BOT guideline				
Normal	1,157,819	781,259	1	8,462
Special mention	34,526	23,706	2, 13	2,537
Substandard	7,178	3,686	45, 100	3,750
Doubtful	6,902	3,445	45, 100	3,574
Doubtful of loss	7,547	1,860	100	2,726
Total	1,213,972	813,956		21,049(1)
2. Surplus Reserve				5,238(2)
Total				26,287

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance[3]**	**Allowance for Doubtful Accounts[4]**
1. Minimum allowance per BOT guideline				
Normal	858,545	507,013	1	5,956
Special mention	16,750	6,051	2, 13	1,635
Substandard	5,940	2,143	40, 100	2,532
Doubtful	6,111	1,753	40, 100	2,307
Doubtful of loss	4,401	1,306	100	1,803
Total	891,747	518,266		14,233[1]
2. Surplus Reserve				5,564[2]
Total				19,797

(1) Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2015 and 2014 of Baht 3,428 million and Baht 1,267 million, respectively.

(2) Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2015 and 2014, at the rate of 1% of Baht 145,769 million and Baht 160,837 million, equal to Baht 1,458 million and Baht 1,608 million, respectively

(3) % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation.

(4) Excluding revaluation allowance for debt restructuring as at December 31, 2015 and 2014, of Baht 412 million and Baht 563 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2015 and 2014, of Baht 369 million and Baht 182 million, respectively

For the years ended December 31, 2015 and 2014, the Bank and a subsidiary entered into agreements to sell non-performing loans (NPLs) to the third parties as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Book value	2,874	2,514	2,874	2,960
Net book value	1,932	1,904	1,932	1,664
Sale price	1,932	2,082	1,932	1,664

As at December 31, 2015 and 2014, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit: Million Baht

	2015		
	The Bank	**AMC**	**The Bank and AMC**
Non-performing loans	21,627	624	22,251
Percentage of total loans	1.60	100.00	1.64
Non-performing loans, net	11,578	433	12,011
Percentage of total loans, net	0.86	100.00	0.89

Unit: Million Baht

	2014		
	The Bank	**AMC**	**The Bank and AMC**
Non-performing loans	16,452	742	17,194
Percentage of total loans	1.73	100.00	1.81
Non-performing loans, net	9,745	485	10,230
Percentage of total loans, net	1.03	100.00	1.08

As at December 31, 2015 and 2014, the Bank and its subsidiaries' non-performing loans are Baht 32,239 million and Baht 29,988 million, respectively.

(5) Troubled debt restructuring

For the years ended December 31, 2015 and 2014, the Bank and its subsidiaries had restructured the following debts:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	2015				2014			
Form of Restructuring	**Number of Debtors**	**Amount of Debt Before Restructuring**	**Type of Assets Acquired**	**Fair Value**	**Number of Debtors**	**Amount of Debt Before Restructuring**	**Type of Assets Acquired**	**Fair Value**
Modification of terms	23,271	3,809	-	-	22,238	4,874	-	-
Reduction of principal and interest	6,587	701	-	-	8,941	936	-	-
Various forms of restructuring	459	1,966	-	-	189	784	-	-
Total	30,317	6,476		-	31,368	6,594		-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2015				2014			
Form of Restructuring	**Number of Debtors**	**Amount of Debt Before Restructuring**	**Type of Assets Acquired**	**Fair Value**	**Number of Debtors**	**Amount of Debt Before Restructuring**	**Type of Assets Acquired**	**Fair Value**
Modification of terms	549	1,503	-	-	700	2,021	-	-
Reduction of principal and interest	98	388	-	-	264	530	-	-
Various forms of restructuring	459	1,966	-	-	189	784	-	-
Total	1,106	3,857		-	1,153	3,335		-

For the years ended December 31, 2015 and 2014, the Bank and its subsidiaries calculated the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2015				2014			
Method	**Average Aging (Year)**	**Number of Debtor**	**Amount of Debt**		**Average Aging (Year)**	**Number of Debtor**	**Amount of Debt**	
			Before Restructuring	**After Restructuring**			**Before Restructuring**	**After Restructuring**
Present value of future cash flows	4.65	22,673	2,525	2,640	4.50	21,462	3,153	3,170
Fair value of collateral	8.39	598	1,284	1,284	6.43	776	1,721	1,721

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2015				2014			
Method	**Average Aging (Year)**	**Number of Debtor**	**Amount of Debt**		**Average Aging (Year)**	**Number of Debtor**	**Amount of Debt**	
			Before Restructuring	**After Restructuring**			**Before Restructuring**	**After Restructuring**
Present value of future cash flows	6.51	8	223	223	4.77	16	371	371
Fair value of collateral	9.27	541	1,280	1,280	7.25	684	1,650	1,650

For the years ended December 31, 2015 and 2014, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of profit or loss and other comprehensive income as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Losses on debt restructured (reversal)	1,328	1,368	(145)	(93)
Interest received from debt restructured	874	990	602	695

As at December 31, 2015 and 2014, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the years ended December 31, 2015 and 2014, in the statements of financial position as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Balances of total debt restructured	15,943	19,112	11,018	14,503
Balances of debt restructured during the year	5,440	5,914	2,865	2,749

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015 Amount due per agreements			
	Within 1 Year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	91,666	185,408	45,963	323,037
Less Unearned interest income				(50,047)
Present value of the minimum lease payments				272,990
Less Allowance for doubtful accounts				(12,655)
Total lease receivables, net				260,335

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014 Amount due per agreements			
	Within 1 year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	91,597	176,554	30,227	298,378
Less Unearned interest income				(44,836)
Present value of the minimum lease payments				253,542
Less Allowance for doubtful accounts				(12,115)
Total lease receivables, net				241,427

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015 Amount due per agreements			
	Within 1 Year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	27,526	99,571	39,708	166,805
Less Unearned interest income				(27,041)
Present value of the minimum lease payments				139,764
Less Allowance for doubtful accounts				(3,427)
Total lease receivables, net				136,337

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014 Amount due per agreements			
	Within 1 Year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	12,137	48,127	21,989	82,253
Less Unearned interest income				(14,249)
Present value of the minimum lease payments				68,004
Less Allowance for doubtful accounts				(1,267)
Total lease receivables, net				66,737

7.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015						
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Surplus Reserve**	**Total**
Beginning balance	6,665	3,239	4,969	3,341	6,441	13,504	38,159
Items arising from business combination	1,991	155	-	377	-	-	2,523
Doubtful accounts (reversal)	596	803	6,687	2,677	8,266	(174)	18,855
Bad debts written off	(48)	(395)	(5,401)	(2,023)	(7,508)	-	(15,375)
Bad debts written off from sales of NPLs	-	-	-	(101)	(853)	-	(954)
Other	-	-	-	-	-	10	10
Ending balance	9,204	3,802	6,255	4,271	6,346	13,340	43,218

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014						
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Surplus Reserve**	**Total**
Beginning balance	5,713	3,664	4,419	5,706	3,197	14,767	37,466
Doubtful accounts (reversal)	953	(425)	4,932	(697)	13,257	(1,264)	16,756
Bad debts written off	(1)	-	(4,381)	(1,153)	(9,229)	-	(14,764)
Bad debts written off from sales of NPLs	-	-	(1)	(515)	(784)	-	(1,300)
Other	-	-	-	-	-	1	1
Ending balance	6,665	3,239	4,969	3,341	6,441	13,504	38,159

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015						
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Surplus Reserve**	**Total**
Beginning balance	5,956	1,635	2,532	2,307	1,803	5,564	19,797
Items arising from business combination	1,991	155	-	377	-	-	2,523
Doubtful accounts (reversal)	563	1,142	1,870	3,014	3,073	(330)	9,332
Bad debts written off	(48)	(395)	(652)	(2,023)	(1,297)	-	(4,415)
Bad debts written off from sales of NPLs	-	-	-	(101)	(853)	-	(954)
Other	-	-	-	-	-	4	4
Ending balance	8,462	2,537	3,750	3,574	2,726	5,238	26,287

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	4,957	1,654	1,718	4,167	1,181	6,242	19,919
Doubtful accounts (reversal)	1,000	(19)	942	(192)	4,108	(679)	5,160
Bad debts written off	(1)	-	(127)	(1,153)	(2,702)	-	(3,983)
Bad debts written off from sales of NPLs	-	-	(1)	(515)	(784)	-	(1,300)
Other	-	-	-	-	-	1	1
Ending balance	5,956	1,635	2,532	2,307	1,803	5,564	19,797

As at December 31, 2015 and 2014, the Bank and its subsidiaries estimated the minimum total allowance under the BOT Guidelines as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Allowance for doubtful accounts*	31,974	26,453	21,830	14,978

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

The Bank and its subsidiaries recorded allowance for doubtful accounts* in the financial statements as follows:

Unit: Million Baht

	2015	2014
Consolidated financial statements	45,313	39,958
The Bank and Krungsri Ayudhya AMC Limited	27,401	20,947
The Bank's financial statements	27,069	20,542

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

As at December 31, 2015 and 2014 , the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	2,225	845	1,291
Total	2	2,225	845	1,291

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	3	2,440	940	1,393
Total	3	2,440	940	1,393

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	2	2,225	845	1,291
Total	2	2,225	845	1,291

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	1	2,333	923	1,291
Total	1	2,333	923	1,291

7.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Beginning balance	1,617	1,520	563	659
Increase (decrease) during the year	1,328	1,368	(145)	(93)
Amount written off	(1,219)	(1,271)	(6)	(3)
Ending balance	1,726	1,617	412	563

7.9 Properties for sale, net

Properties for sale, net as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	**Acquisition**	**Disposition**	**Balance as at December 31, 2015**
1. Assets acquired from debt repayment				
1.1 Immovable	6,471	44	(1,047)	5,468
1.2 Movable	850	7,423	(7,529)	744
Total	7,321	7,467	(8,576)	6,212
2. Others	116	15	-	131
Total properties for sale	7,437	7,482	(8,576)	6,343
Less Provision for impairment	(1,981)	(2,122)	2,810	(1,293)
Total properties for sale	5,456	5,360	(5,766)	5,050

Unit: Million Baht

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2014	**Acquisition**	**Disposition**	**Balance as at December 31, 2014**
1. Assets acquired from debt repayment				
1.1 Immovable	8,074	141	(1,744)	6,471
1.2 Movable	821	7,650	(7,621)	850
Total	8,895	7,791	(9,365)	7,321
2. Others	99	20	(3)	116
Total properties for sale	8,994	7,811	(9,368)	7,437
Less Provision for impairment	(2,129)	(3,234)	3,382	(1,981)
Total properties for sale	6,865	4,577	(5,986)	5,456

Unit: Million Baht

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	**Acquisition**	**Disposition**	**Balance as at December 31, 2015**
1. Assets acquired from debt repayment				
1.1 Immovable	3,908	39	(755)	3,192
1.2 Movable	109	2,498	(2,332)	275
Total	4,017	2,537	(3,087)	3,467
2. Others	116	15	-	131
Total properties for sale	4,133	2,552	(3,087)	3,598
Less Provision for impairment	(1,290)	(116)	665	(741)
Total properties for sale	2,843	2,436	(2,422)	2,857

Unit: Million Baht

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS Balance as at January 1, 2014	Acquisition	Disposition	Balance as at December 31, 2014
1. Assets acquired from debt repayment				
1.1 Immovable	4,369	131	(592)	3,908
1.2 Movable	-	429	(320)	109
Total	4,369	560	(912)	4,017
2. Others	96	20	-	116
Total properties for sale	4,465	580	(912)	4,133
Less Provision for impairment	(1,442)	(40)	192	(1,290)
Total properties for sale	3,023	540	(720)	2,843

Immovable assets for sale classified by external and internal appraisers as at December 31, 2015 and 2014 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Immovable assets-Foreclosed assets				
Appraised by external appraisers	1,693	1,970	1,553	1,915
Appraised by internal appraisers	3,775	4,501	1,639	1,993
Total	5,468	6,471	3,192	3,908

7.10 Premises and equipment, net

Premises and equipment, net as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	**Increase**	**Decrease**	**Balance as at December 31, 2015**
Land				
Cost	3,633	673	(20)	4,286
Appraisal increase (Year 2013)	5,179	-	(5)	5,174
Appraisal decrease (Year 2013)	(79)	-	1	(78)
Premises				
Cost	6,808	327	(31)	7,104
Appraisal increase (Year 2013)	7,748	-	(40)	7,708
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	13,302	1,632	(699)	14,235
Leasehold improvement	2,467	755	(126)	3,096
Total	38,924	3,387	(920)	41,391
Less Accumulated depreciation				
Premises				
- Cost	(3,482)	(265)	11	(3,736)
- Appraisal increase (Year 2013)	(4,938)	(172)	33	(5,077)
Equipment	(9,434)	(1,285)	611	(10,108)
Leasehold improvement	(1,525)	(278)	56	(1,747)
Total	(19,379)	(2,000)	711	(20,668)
Construction in progress	407	558	(695)	270
Premises and equipment, net	19,952			20,993

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2014	**Increase**	**Decrease**	**Balance as at December 31, 2014**
Land				
Cost	3,631	15	(13)	3,633
Appraisal increase (Year 2013)	5,179	-	-	5,179
Appraisal decrease (Year 2013)	(79)	-	-	(79)
Premises				
Cost	6,826	248	(266)	6,808
Appraisal increase (Year 2013)	8,434	-	(686)	7,748
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	13,467	1,300	(1,465)	13,302
Leasehold improvement	2,153	398	(84)	2,467
Total	39,477	1,961	(2,514)	38,924
Less Accumulated depreciation				
Premises				
- Cost	(3,347)	(397)	262	(3,482)
- Appraisal increase (Year 2013)	(5,272)	(348)	682	(4,938)
Equipment	(9,603)	(1,210)	1,379	(9,434)
Leasehold improvement	(1,339)	(225)	39	(1,525)
Total	(19,561)	(2,180)	2,362	(19,379)
Construction in progress	223	483	(299)	407
Premises and equipment, net	20,139			19,952

Unit: Million Baht

	2015	2014
Depreciation for the years	2,000	2,180

As at December 31, 2015 and 2014, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 8,184 million and Baht 7,624 million, respectively.

As at December 31, 2015 and 2014, the Bank and its subsidiaries had equipments which are under finance leases, with the original costs amounting to Baht 458 million and Baht 473 million, respectively.

Land and premises of the Bank and its subsidiaries were revalued in June 2013 by the independent professional qualified appraisers. The basis of valuation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	Increase	Decrease	Balance as at December 31, 2015
Land				
Cost	3,632	673	(19)	4,286
Appraisal increase (Year 2013)	5,175	-	(1)	5,174
Appraisal decrease (Year 2013)	(79)	-	1	(78)
Premises				
Cost	6,750	327	(11)	7,066
Appraisal increase (Year 2013)	7,612	-	(2)	7,610
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	10,178	1,165	(417)	10,926
Leasehold improvement	1,356	592	(28)	1,920
Total	34,490	2,757	(477)	36,770
Less Accumulated depreciation				
Premises				
- Cost	(3,452)	(264)	3	(3,713)
- Appraisal increase (Year 2013)	(4,833)	(172)	1	(5,004)
Equipment	(7,724)	(916)	415	(8,225)
Leasehold improvement	(654)	(137)	17	(774)
Total	(16,663)	(1,489)	436	(17,716)
Construction in progress	392	396	(522)	266
Premises and equipment, net	18,219			19,320

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Land				
Cost	3,630	15	(13)	3,632
Appraisal increase (Year 2013)	5,175	-	-	5,175
Appraisal decrease (Year 2013)	(79)	-	-	(79)
Premises				
Cost	6,769	247	(266)	6,750
Appraisal increase (Year 2013)	8,298	-	(686)	7,612
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	10,542	761	(1,125)	10,178
Leasehold improvement	1,160	205	(9)	1,356
Total	35,361	1,228	(2,099)	34,490
Less Accumulated depreciation				
Premises				
- Cost	(3,320)	(395)	263	(3,452)
- Appraisal increase (Year 2013)	(5,167)	(348)	682	(4,833)
Equipment	(7,997)	(841)	1,114	(7,724)
Leasehold improvement	(564)	(97)	7	(654)
Total	(17,048)	(1,681)	2,066	(16,663)
Construction in progress	220	429	(257)	392
Premises and equipment, net	18,533			18,219

Unit: Million Baht

	2015	2014
Depreciation for the years	1,489	1,681

As at December 31, 2015 and 2014, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 6,293 million and Baht 6,080 million, respectively.

As at December 31, 2015 and 2014, the Bank had equipments which are under finance leases, with the original costs amounting to Baht 445 million and Baht 458 million, respectively.

7.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	Increase	Decrease	Balance as at December 31, 2015
Cost				
Goodwill	9,947	-	-	9,947
Software	6,146	1,252	(2)	7,396
Other intangible assets	5,616	5	(25)	5,596
Total	21,709	1,257	(27)	22,939
Accumulated amortization				
Software	(3,437)	(735)	1	(4,171)
Other intangible assets	(3,668)	(618)	15	(4,271)
Total	(7,105)	(1,353)	16	(8,442)
Allowance for impairment	(20)	-	-	(20)
Goodwill and other intangible assets, net	14,584			14,477

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Cost				
Goodwill	9,947	-	-	9,947
Software	5,293	871	(18)	6,146
Other intangible assets	5,605	11	-	5,616
Total	20,845	882	(18)	21,709
Accumulated amortization				
Software	(2,865)	(574)	2	(3,437)
Other intangible assets	(3,099)	(569)	-	(3,668)
Total	(5,964)	(1,143)	2	(7,105)
Allowance for impairment	(20)	-	-	(20)
Goodwill and other intangible assets, net	14,861			14,584

Unit: Million Baht

	2015	2014
Amortization for the year	1,353	1,143

As at December 31, 2015 and 2014, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 1,772 million and Baht 1,602 million, respectively.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	Increase	Decrease	Balance as at December 31, 2015
Cost				
Goodwill	1,054	-	-	1,054
Software	5,165	1,089	-	6,254
Other intangible assets	77	5	(25)	57
Total	6,296	1,094	(25)	7,365
Accumulated amortization				
Software	(2,864)	(633)	-	(3,497)
Other intangible assets	(38)	(15)	17	(36)
Total	(2,902)	(648)	17	(3,533)
Goodwill and other intangible assets, net	3,394			3,832

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Cost				
Goodwill	1,054	-	-	1,054
Software	4,399	770	(4)	5,165
Other intangible assets	66	11	-	77
Total	5,519	781	(4)	6,296
Accumulated amortization				
Software	(2,377)	(487)	-	(2,864)
Other intangible assets	(13)	(25)	-	(38)
Total	(2,390)	(512)	-	(2,902)
Goodwill and other intangible assets, net	3,129			3,394

Unit: Million Baht

	2015	2014
Amortization for the year	648	512

As at December 31, 2015 and 2014, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 1,349 million and Baht 1,231 million, respectively.

7.12 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Deferred tax assets	5,369	4,983	703	485
Deferred tax liabilities	(32)	(24)	-	-
Net	5,337	4,959	703	485

Movements of deferred tax assets and deferred tax liabilities during the year are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	Balance at January 1, 2015 as previously reported	**Effects on Application of the new Accounting Policy**	**Balance at January 1, 2015 as adjusted**	**Items as recognized into Profit or Loss**	**Items as recognized into Other Comprehensive Income**	**Items as recognized into Other reserves of owners of the Bank**	**Balance at December 31, 2015**
Deferred tax assets							
Impairment of assets	470	-	470	(120)	-	-	350
Loans and accrued interest receivables, net	5,562	-	5,562	181	-	-	5,743
Provisions	1,111	-	1,111	221	58	-	1,390
Others	746	14	760	(71)	42	42	773
Total	7,889	14	7,903	211	100	42	8,256
Deferred tax liabilities							
Asset appraisal surplus	1,599	-	1,599	35	-	-	1,634
Investments	193	-	193	(61)	42	-	174
Others	1,138	-	1,138	(27)	-	-	1,111
Total	2,930	-	2,930	(53)	42	-	2,919
Deferred tax assets - net	4,959	14	4,973	264	58	42	5,337

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance at January 1, 2014	**Items as recognized into Profit or Loss**	**Items as recognized into Other Comprehensive Income**	**Balance at December 31, 2014**
Deferred tax assets				
Impairment of assets	489	(19)	-	470
Loans and accrued interest receivables, net	4,816	746	-	5,562
Provisions	931	73	107	1,111
Others	770	(22)	(2)	746
Total	7,006	778	105	7,889
Deferred tax liabilities				
Asset appraisal surplus	1,669	(70)	-	1,599
Investments	9	(78)	262	193
Others	924	214	-	1,138
Total	2,602	66	262	2,930
Deferred tax assets - net	4,404	712	(157)	4,959

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	Balance at January 1, 2015 as previously reported	Effects on Application of the new Accounting Policy	Balance at January 1, 2015 as adjusted	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Items as recognized into Other reserves of owners of the Bank	Balance at December 31, 2015
Deferred tax assets							
Impairment of assets	334	-	334	(128)	-	-	206
Loans and accrued interest receivables, net	1,169	-	1,169	232	-	-	1,401
Provisions	949	-	949	192	53	-	1,194
Others	190	14	204	(42)	40	42	244
Total	2,642	14	2,656	254	93	42	3,045
Deferred tax liabilities							
Asset appraisal surplus	1,591	-	1,591	(35)	-	-	1,556
Investments	193	-	193	61	42	-	296
Others	373	-	373	117	-	-	490
Total	2,157	-	2,157	143	42	-	2,342
Deferred tax assets - net	485	14	499	111	51	42	703

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2014	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2014
Deferred tax assets				
Impairment of assets	369	(35)	-	334
Loans and accrued interest receivables, net	723	446	-	1,169
Provisions	817	38	94	949
Others	368	(176)	(2)	190
Total	2,277	273	92	2,642
Deferred tax liabilities				
Asset appraisal surplus	1,661	(70)	-	1,591
Investments	4	(75)	264	193
Others	159	214	-	373
Total	1,824	69	264	2,157
Deferred tax assets - net	453	204	(172)	485

7.13 Other assets, net

Other assets, net as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Accrued income	1,926	1,868	338	272
Prepayment	1,615	423	1,404	194
Other receivables	11,207	8,911	8,395	5,523
Margin call to counterparty	5,167	82	5,167	82
Others	991	878	1,295	1,675
Total	20,906	12,162	16,599	7,746

7.14 Deposits

Deposits as at December 31, 2015 and 2014 are as follows:

(1) Classified by product

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Current deposit	29,615	20,234	30,616	21,246
Savings deposit	509,428	404,466	512,502	409,638
Time deposit				
- Less than 6 months	164,737	75,815	166,438	75,816
- 6 months to 1 year	315,806	246,144	315,810	246,148
- Over 1 year	26,704	90,897	26,706	90,900
Total	1,046,290	837,556	1,052,072	843,748

(2) Classified by currency and residence of depositors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,006,061	1,625	1,007,686	832,016	657	832,673
US Dollar	31,020	1,311	32,331	1,912	972	2,884
Other currencies	5,408	865	6,273	1,358	641	1,999
Total	1,042,489	3,801	1,046,290	835,286	2,270	837,556

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,011,837	1,625	1,013,462	838,208	657	838,865
US Dollar	31,021	1,313	32,334	1,912	972	2,884
Other currencies	5,408	868	6,276	1,358	641	1,999
Total	1,048,266	3,806	1,052,072	841,478	2,270	843,748

7.15 Interbank and money market items, net (Liability)

Interbank and money market items, net (liability) as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	4,670	4,670	-	7,324	7,324
Commercial banks	797	28,100	28,897	817	10,060	10,877
Specialized financial institutions	12	4,687	4,699	2,013	6,200	8,213
Other financial institutions	6,352	429	6,781	8,352	5,745	14,097
Total domestic items	7,161	37,886	45,047	11,182	29,329	40,511
Foreign items						
US Dollar	50	225,560	225,610	45	5,933	5,978
Yen	-	2,996	2,996	-	-	-
Euro	57	-	57	-	-	-
Other currencies	1,350	-	1,350	123	-	123
Total foreign items	1,457	228,556	230,013	168	5,933	6,101
Total domestic and foreign items	8,618	266,442	275,060	11,350	35,262	46,612

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	4,670	4,670	-	7,324	7,324
Commercial banks	797	28,100	28,897	817	10,060	10,877
Specialized financial institutions	12	4,687	4,699	2,013	6,200	8,213
Other financial institutions	8,537	430	8,967	9,966	5,776	15,742
Total domestic items	9,346	37,887	47,233	12,796	29,360	42,156
Foreign items						
US Dollar	50	225,560	225,610	45	5,933	5,978
Yen	-	2,996	2,996	-	-	-
Euro	57	-	57	-	-	-
Other currencies	1,350	-	1,350	123	-	123
Total foreign items	1,457	228,556	230,013	168	5,933	6,101
Total domestic and foreign items	10,803	266,443	277,246	12,964	35,293	48,257

Additional information on interbank and money market items, net (liability) is as follows:

1. As at December 31, 2015 and 2014, the outstanding balances of borrowing from the Bank of Thailand is Baht 4,670 million and Baht 7,324 million, respectively bearing an interest rate at 0.01% per annum. The loan is restricted to a soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at a rate not over 3% per annum. The soft loan program duration is 5 years and will end on December 31, 2018.

2. On October 25, 2012, the Bank entered into a loan agreement facility of USD 200 million with International Finance Corporation, a member of the World Bank, which was composed of a 36-month term loan of USD 100 million, a 48-month term loan of USD 50 million and a 60-month term loan of USD 50 million at the interest rate of 3-month LIBOR plus applicable spreads. The repayment of principle will be gradually paid within term agreement. The purpose of this facility is to provide the Bank funding to finance small or medium enterprises directly and indirectly impacted by flooding in Thailand. The Bank had already made a repayment in May 2015.

7.16 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS					
				2015			2014		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	4.70	2022	14,844	-	14,844	34,844	-	34,844
Senior securities	THB	1.88-4.50	2016-2020	55,843	-	55,843	90,983	-	90,983
Bill of exchange	THB	0.88-1.72	2016	37,420	-	37,420	25,949	-	25,949
Other borrowings	THB	0.50	2017	13	-	13	29	-	29
				108,120	-	108,120	151,805	-	151,805

Unit: Million Baht

				THE BANK'S FINANCIAL STATEMENTS					
				2015			2014		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	4.70	2022	14,844	-	14,844	34,844	-	34,844
Senior securities	THB	2.00-3.59	2016-2018	36,000	-	36,000	62,387	-	62,387
Bill of exchange	THB	0.88-1.72	2016	37,421	-	37,421	8	-	8
Other borrowings	THB	0.50	2017	13	-	13	29	-	29
				88,278	-	88,278	97,268	-	97,268

Additional information on debts issued and borrowings is as follows:

1. On June 23, 2010, the Bank issued subordinated debentures No. 1/2010 in the amount of Baht 20,000 million with maturity on June 23, 2020 at the fixed interest rates of 4.35% per annum for years 1-3, 4.75% per annum for years 4-6 and 5.50% per annum for years 7-10, payable quarterly on the 23rd of March, June, September and December of each year. The Bank has the right to redeem debentures No. 1/2010 before the maturity date subject to the approval of the BOT. The Bank may redeem the debentures prior to the fifth anniversary of the issued date if the Bank is notified by the BOT that the debentures shall not be treated as tier 2 capital or the debentures shall be treated as tier 2 capital less than 50% of tier 1 capital of the Bank.

The BOT has granted the early redemption to the Bank for the whole amount of the subordinated debentures on March 19, 2015. Therefore, the Bank had exercised the right to redeem the subordinated debentures on June 23, 2015.

2. On November 7, 2012, the Bank issued subordinated debentures No. 1/2012 in the amount of Baht 14,844 million for a 10-year tenor at the fixed interest rate of 4.7 % per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or on any interest payment date after the fifth anniversary subject to the approval of the BOT.

7.17 Provisions

Provisions for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2014	**Increase (Decrease)**	**Balance at December 31, 2014**	**Increase (Decrease)**	**Balance at December 31, 2015**
Provision for post-employment benefits obligation	2,892	818	3,710	1,041	4,751
Others	1,691	50	1,741	267	2,008
Total	4,583	868	5,451	1,308	6,759

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2014	**Increase (Decrease)**	**Balance at December 31, 2014**	**Increase (Decrease)**	**Balance at December 31, 2015**
Provision for post-employment benefits obligation	2,365	845	3,210	947	4,157
Others	1,688	33	1,721	260	1,981
Total	4,053	878	4,931	1,207	6,138

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Opening defined benefits obligation	3,710	2,892	3,210	2,365
Current service cost	354	259	290	195
Interest cost	149	130	131	108
Actuarial (gains) losses				
- Experience	(99)	(72)	(93)	(76)
- Demographic assumptions	2	-	2	-
- Financial assumptions	386	600	353	546
Benefit paid	(94)	(99)	(85)	(91)
Transfer employee from subsidiaries	(1)	-	5	163
Items arising from business combination	344	-	344	-
Closing defined benefit obligation	4,751	3,710	4,157	3,210

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Included in retained earnings:				
As at 1 January	364	(164)	269	(201)
Recognized during the year	289	528	262	470
As at 31 December	653	364	531	269

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Current service cost	354	259	290	195
Interest on obligation	149	130	131	108
	503	389	421	303

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2015 and 2014 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
Financial assumptions	**2015**	**2014**
Discount rate	3.3%	3.7%
Salary increase rate	6.0%	6.0%
Turnover rate	8.9%	8.9%
Retirement age	55 and 60 years	55 and 60 years

Significant Actuarial Assumptions - Impact on increase / (decrease) in Defined Benefit Obligation as at December 31, 2015 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Discount rate - 1% increase	(533)	(458)
Discount rate - 1% decrease	626	536
Salary increase rate - 1% increase	947	859
Salary increase rate - 1% decrease	(834)	(758)

7.18 Finance lease liabilities

Finance lease liabilities as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	18	2	20	18	2	20
One year to five years	32	1	33	39	2	41
Total	50	3	53	57	4	61

7.19 Other liabilities

Other liabilities as at December 31, 2015 and 2014 are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Accrued expenses	11,257	10,073	7,978	7,273
Tax payable	3,418	3,421	1,703	1,758
Deposit	4,849	6,632	828	459
Unearned income from customer loyalty program	2,633	2,315	88	71
Other payables	2,456	2,694	1,765	1,733
Margin call from counterparty	12,727	120	12,727	120
Others	9,588	8,384	5,570	4,610
Total	46,928	33,639	30,659	16,024

7.20 Share capital

7.20.1 Issued and paid-up share capital

The Board of Directors Meeting No. 12/2014 held on December 17, 2014 resolved to approve the allotment of 1,281,618,026 newly issued ordinary shares as a private placement to The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") with the par value of Baht 10 per share and the offering price of Baht 40.49 per share as consideration and/or exchange for the transfer of business of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Bangkok Branch ("BTMU's Bangkok Branch") in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2013 held on October 31, 2013.

On January 5, 2015, the Bank has completed the business transfer of BTMU's Bangkok Branch, then allotted 1,281,618,026 newly issued ordinary shares as a private placement to BTMU with the par value of Baht 10 per share. In this regards, the Bank has received payment for these shares in kind by net asset of BTMU's Bangkok Branch and has completed the registration of paid-up share capital with the Ministry of Commerce. As a result, the issued and paid-up share capital and premium on ordinary shares will be increased as follows:

		Unit: Million Baht
	January 5, 2015 (After allotment)	**December 31, 2014 (Before allotment)**
Issued and paid-up share capital	73,558	60,741
Premium on ordinary shares	52,879	13,802

7.20.2 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.20.3 Dividend payment

The Annual General Meeting of Shareholders No. 102 held on April 9, 2014, approved the dividend payment for the six-month period ended December 31, 2013 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.40 per share totaling Baht 2,430 million with payment date on May 7, 2014.

The Board of Directors' Meeting No. 8/2014 held on August 27, 2014, approved the interim dividend payment for the six-month period ended June 30, 2014 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.40 per share totaling Baht 2,430 million with payment date on September 25, 2014.

The Annual General Meeting of Shareholders No. 103 held on April 23, 2015, approved the dividend payment for the six-month period ended December 31, 2014 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on May 22, 2015.

The Board of Directors' Meeting No. 8/2015 held on August 26, 2015, approved the interim dividend payment for the six-month period ended June 30, 2015 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 24, 2015.

7.21 Assets with obligations and restrictions

As at December 31, 2015 and 2014, government and state enterprise securities with book value of Baht 24,296 million and Baht 4,995 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

7.22 Contingencies

Contingencies as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Avals to bills	2,158	1,893	2,158	1,893
Guarantees of loans	108	54	108	54
Liability under unmatured import bills	2,560	7,688	2,560	7,688
Letters of credit	4,727	5,701	4,727	5,701
Other contingencies				
- Unused overdraft limit	48,231	61,583	48,321	61,713
- Unused credit line	35,467	62,902	35,467	62,902
- Other guarantees	54,622	46,397	54,622	46,397
- Others	101	139	101	139
Total	147,974	186,357	148,064	186,487

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2020 with a local company. As at December 31, 2015 and 2014, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 2,677 million and Baht 3,445 million, respectively.

As at December 31, 2015 and 2014, the Bank has commitments to pay regarding the information technology services the amounts of Baht 1,420 million and Baht 762 million, respectively.

As at December 31, 2015, the Bank has commitment payment amount of Baht 1,601 million as a result of entering to the construction agreement of the office building.

7.23 Related party transactions

The Bank has business transactions with subsidiaries, associates, joint ventures and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification Sor.Nor.Sor. 19/2555 regarding the "Guideline on Consolidated Supervision (No.2)" dated December 17, 2012, and Sor.Nor.Sor. 6/2553 regarding the "Guideline on Consolidated Supervision" dated June 18, 2010, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

   The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level and the Bank does not allow the companies in the financial business group borrow from or lend to each other.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

   The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management process, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related party transactions are as follows:

7.23.1 Assets, liabilities and contingencies with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank have significant voting right either directly and indirectly, as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2015

	Interbank and money market items (Assets)	Loans	Accrued Interest Receivables	Derivative (Assets)	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Other Liabilities	Derivative (Notional amount)	Others*
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	15,927	-	-	2,747	4,239	-	229,036	-	6,579	311	544,233	6,192
Less Allowance for doubtful accounts	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	15,926	-	-	2,747	4,239	-	229,036	-	6,579	311	544,233	6,192
Joint ventures												
Tesco Card Services Limited	-	8,873	27	-	321	391	-	-	-	4	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	8	134	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	22	499	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-	-
Total	-	8,784	27	-	351	1,024	-	-	-	4	-	-
Related companies having joint major shareholders or directors	13	8,714	28	207	-	8,711	210	858	208	14	11,220	3,167
Less Allowance for doubtful accounts	-	(85)	-	-	-	-	-	-	-	-	-	-
Total	13	8,629	28	207	-	8,711	210	858	208	14	11,220	3,167
Individual and related parties	-	311	-	-	-	779	-	-	-	477	-	-
Less Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-	-
Total	-	310	-	-	-	779	-	-	-	477	-	-
Total	15,939	17,723	55	2,954	4,590	10,514	229,246	858	6,787	806	555,453	9,359

* Others contain investment and contingencies

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS								
	2014								
	Interbank and money market items (Assets)	Loans	Derivative (Assets)	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Derivative (Notional amount)	Others*
Parent company									
The Bank of Tokyo-Mitsubishi UFJ Ltd.	-	-	10	-	2	-	1	1,535	-
Total	-	-	10	-	2	-	1	1,535	-
Associates									
Tesco Card Services Limited	-	10,864	-	395	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	94	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	392	-	-	-	-	-
Less Allowance for doubtful accounts	-	(109)	-	-	-	-	-	-	-
Total	-	10,755	-	881	-	-	-	-	-
Related companies having joint major shareholders or directors	-	2,972	-	3,705	-	-	-	-	5,716
Less Allowance for doubtful accounts	-	(27)	-	-	-	-	-	-	-
Total	-	2,945	-	3,705	-	-	-	-	5,716
Individual and related parties		294	-	638	-	-	-	-	-
Less Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-
Total	-	293	-	638	-	-	-	-	-
Total	-	13,993	10	5,224	2	-	1	1,535	5,716

* Others contain investment and contingencies

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2015

	Interbank and money market items (Assets)	Loans	Accrued Interest Receivables	Derivative (Assets)	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Other Liabilities	Derivative (Notional amount)	Others*
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	15,927	-	-	2,747	4,239	-	229,036	-	6,579	311	544,233	6,192
Less Allowance for doubtful accounts	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	15,926	-	-	2,747	4,239	-	229,036	-	6,579	311	544,233	6,192
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	3,207	1	-	1	4	-	-	-	-	-	1
Ayudhya Capital Auto Lease Public Company	-	67,175	173	-	153	358	-	-	-	206	-	-
Ngern Tid Lor Company Limited (formerly CFG Services Company Limited)	-	5,886	3	-	9	91	-	-	-	-	-	2
Ayudhya Capital Services Company Limited	-	25,855	95	-	91	909	-	-	-	23	-	3
General Card Services Limited	-	12,494	32	-	53	325	-	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	30,267	41	-	401	682	-	-	-	7	-	1
Siam Realty and Services Company Limited	-	540	-	-	-	56	-	-	-	48	-	-
Total Services Solutions Public Company Limited	-	-	-	-	1	1,085	-	-	-	17	-	-
Krungsri Asset Management Company Limited	-	-	-	-	63	-	1,096	-	-	-	-	722
Krungsri Ayudhya AMC Limited	-	-	-	-	-	458	-	-	-	69	-	37
Krungsri Securities Public Company Limited	-	-	-	-	6	2	1,090	-	-	2	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	191	-	-	-	-	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	-	-	629	-	-	-	-	-	-
Krungsri General Insurance Broker Company Limited	-	-	-	-	-	986	-	-	-	-	-	-
Krungsri Leasing Services Company Limited	-	341	-	-	-	5	-	-	-	-	-	-
Total	-	145,765	345	-	778	5,781	2,186	-	-	372	-	766
Less Allowance for doubtful accounts	-	(1,458)	-	-	-	-	-	-	-	-	-	-
Total	-	144,307	345	-	778	5,781	2,186	-	-	372	-	766

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

2015

	Interbank and money market items (Assets)	Loans	Accrued Interest Receivables	Derivative (Assets)	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Other Liabilities	Derivative (Notional amount)	Others*
Joint ventures												
Tesco Card Services Limited	-	8,873	27	-	29	391	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	134	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	499	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-	-
Total	-	8,784	27	-	29	1,024	-	-	-	-	-	-
Related companies having joint major shareholders or directors	13	8,714	28	207	-	8,711	210	858	208	14	11,220	3,167
Less Allowance for doubtful accounts	-	(85)	-	-	-	-	-	-	-	-	-	-
Total	13	8,629	28	207	-	8,711	210	858	208	14	11,220	3,167
Individual and related parties	-	251	-	-	-	779	-	-	-	349	-	-
Total	15,939	161,971	400	2,954	5,046	16,295	231,432	858	6,787	1,046	555,453	10,125

* Others contain investment and contingencies

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014								
	Interbank and money market items (Assets)	Loans	Derivative (Assets)	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Derivative (Notional amount)	Others*
Parent company									
The Bank of Tokyo-Mitsubishi UFJ Ltd.	-	-	10	-	2	-	1	1,535	-
Total	-	-	10	-	2	-	1	1,535	-
Subsidiaries									
Ayudhya Development Leasing Company Limited	-	6,819	-	9	-	-	-	-	1
Ayudhya Capital Auto Lease Public Company	-	78,583	-	406	-	-	-	-	296
Ngern Tid Lor Company Limited (formerly CFG Services Company Limited)	-	6,430	-	72	-	-	-	-	2
Ayudhya Capital Services Company Limited	-	25,013	-	870	-	-	-	-	3
General Card Services Limited	-	12,472	-	261	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	30,943	-	720	-	-	-	-	1
Siam Realty and Services Company Limited	-	577	-	30	-	-	-	-	-
Total Services Solutions Public Company Limited	-	-	-	899	-	-	-	-	-
Krungsri Asset Management Company Limited	-	-	-	150	-	-	-	-	659
Krungsri Ayudhya AMC Limited	-	-	-	1,450	-	-	-	-	38
Krungsri Securities Public Company Limited	-	-	-	1,496	-	-	-	-	-
Krungsri Factoring Company Limited	-	-	-	188	-	-	-	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	501	-	-	-	-	-
Krungsri General Insurance Broker Company Limited	-	-	-	784	-	-	-	-	-
Total	-	160,837	-	7,836	-	-	-	-	1,000
Less Allowance for doubtful accounts	-	(1,608)	-	-	-	-	-	-	-
Total	-	159,229	-	7,836	-	-	-	-	1,000

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

2014

	Interbank and money market items (Assets)	Loans	Derivative (Assets)	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Derivative (Notional amount)	Others*
Associates									
Tesco Card Services Limited	-	10,864	-	395	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	94	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	392	-	-	-	-	-
Less Allowance for doubtful accounts	-	(109)	-	-	-	-	-	-	-
Total	-	10,755	-	881	-	-	-	-	-
Related companies having joint major shareholders or directors	-	2,972	-	3,705	-	-	-	-	5,716
Less Allowance for doubtful accounts	-	(27)	-	-	-	-	-	-	-
Total	-	2,945	-	3,705	-	-	-	-	5,716
Individual and related parties	-	240	-	638	-	-	-	-	-
Total	-	173,169	10	13,060	2	-	1	1,535	6,716

* Others contain investment and contingencies

As at December 31, 2015 and 2014, the Bank charges interest rates to related parties at 1.0% - 21.78% p.a. and 1.0% - 15.99% p.a., respectively.

As at December 31, 2015 and 2014, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,458 million and Baht 1,608 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.23.2 The Bank has investments in subsidiaries, associates and joint ventures as disclosed in Note 7.5 and has investments in related companies as follows:

Unit: Million Baht

				CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
				2015		2014	
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related company							
Sri Ayudhya Capital Public Company Limited	Investment holding company	250	8.50	326	53	326	51
Less Allowance for impairment				(5)	-	(5)	-
Investment in related company, net				321	53	321	51

7.23.3 Income and expenses between the Bank and its subsidiaries, associates, joint ventures and related companies for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2015				2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	9	(1,418)	986	428	1	-	-	185
Total	9	(1,418)	986	428	1	-	-	185
Joint ventures / associates								
Tesco Card Services Limited	287	483	-	5	381	459	1	3
Tesco Life Assurance Broker Company Limited	-	6	2	-	-	-	-	-
Tesco General Insurance Broker Limited	-	22	3	-	-	19	2	-
Total	287	511	5	5	381	478	3	3
Related companies having joint major shareholders or directors	268	26	73	211	118	44	54	125
Total	268	26	73	211	118	44	54	125
Individual and related parties	10	1	13	-	10	1	12	-
Total	574	(880)	1,077	644	510	523	69	313

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2015				2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non- interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	9	(1,418)	986	428	1	-	-	185
Total	9	(1,418)	986	428	1	-	-	185
Subsidiaries								
Ayudhya Development Leasing Company Limited	192	8	-	-	302	8	-	-
Ayudhya Capital Auto Lease Public Company Limited	3,184	669	2	318	4,305	254	3	488
Ngern Tid Lor Company Limited (formerly CFG Services Company Limited)	271	40	-	-	362	7	-	1
Ayudhya Capital Services Company Limited	829	258	-	31	909	215	1	22
General Card Services Limited	337	33	-	5	388	15	1	6
Krungsriayudhya Card Company Limited	752	174	1	131	899	137	2	102
Siam Realty and Services Company Limited	14	16	-	502	17	2	-	471
Total Services Solutions Public Company Limited	-	2	9	99	-	1	15	66
Krungsri Asset Management Company Limited	-	532	9	3	-	329	7	12
Krungsri Ayudhya AMC Limited	-	12	1	-	5	14	1	-
Krungsri Securities Public Company Limited	-	18	17	8	-	16	16	14
Krungsri Factoring Company Limited	-	9	-	-	-	7	1	-
Krungsri Life Assurance Broker Limited	-	1	6	-	-	1	1	-
Krungsri General Insurance Broker Limited	-	2	7	-	-	1	2	-
Krungsri Leasing Services Company Limited	13	-	-	-	-	-	-	-
Total	5,592	1,774	52	1,097	7,187	1,007	50	1,182
Joint ventures / associates								
Tesco Card Services Limited	287	25	-	3	381	24	1	3
Tesco Life Assurance Broker Company Limited	-	-	2	-	-	-	-	-
Tesco General Insurance Broker Limited	-	9	3	-	-	8	2	-
Total	287	34	5	3	381	32	3	3
Related companies having joint major shareholders or directors	268	26	73	211	118	44	54	125
Total	268	26	73	211	118	44	54	125
Individual and related parties	10	1	13	-	10	1	12	-
Total	6,166	417	1,129	1,739	7,697	1,084	119	1,495

7.23.4 For the years ended December 31, 2015 and 2014, related party transactions among subsidiaries included collection services and other services of Baht 915 million and Baht 876 million, respectively, and office and vehicle rental and facilities service of Baht 62 million and Baht 65 million, respectively.

7.23.5 For the years ended December 31, 2015 and 2014, subsidiaries had related party transactions from the licenses relevant to technology and software for Baht 45 million and Baht 73 million, respectively.

7.23.6 For the years ended December 31, 2015 and 2014, related party transactions among subsidiaries from other services were Baht 1,483 million and Baht 1,298 million, respectively.

7.23.7 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, BTMU shall provide various services to the Bank as agreed between the Bank and BTMU prior to the transfer. Such services shall include existing services provided by BTMU to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service of BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and BTMU will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date BTMU holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later). The Bank may request for BTMU to provide funding assistance to the Bank and BTMU shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the Funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If BTMU agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with BTMU under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility. Total facility amount is JPY 900,000 million or USD equivalent which equals to Baht 292,500 million using the exchange rate of Baht 32.50:JPY 100. The facility can be divided to be USD 7,000 million equivalent to Baht 227,500 million and JPY 200,000 million equivalent to Baht 65,000 million.

7.24 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchased or leased any assets from those persons, except, in 2015, the subsidiary had sold cars to managements in the amount of Baht 5 million with the book value of Baht 4 million.

For the years ended December 31, 2015 and 2014, compensations paid to key management personnel under TAS 24 (Revised 2014) "Related Party Disclosures" are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Short-term employee benefits	1,483	1,343	1,079	895
Post-employment benefits	48	37	33	21
Total	1,531	1,380	1,112	916

7.25 Long-term leases

The Bank and its subsidiaries have entered into land and/or buildings and equipment lease agreements for branch offices and operation. The Bank and its subsidiaries are committed to pay future rental and service as at December 31, 2015 and 2014 which are summarized as follows:

Unit: Million Baht

TYPE OF LEASE	PERIOD	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2015	**2014**	**2015**	**2014**
Land and/or premises and equipment	Within 1 year	1,112	942	912	896
	Greater than 1-5 years	990	944	766	756
	Greater than 5 years	40	65	29	55
		2,142	1,951	1,707	1,707

7.26 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of, operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above and eliminated transactions for preparation of consolidated financial statements.

During the years ended December 31, 2015 and 2014, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by businesses for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015			
	Retail	Commercial	Others	Total
Interest income, net	33,302	23,051	(3)	56,350
Other operating income	20,638	7,252	(1,467)	26,423
Total operating income	53,940	30,303	(1,470)	82,773
Operating expenses	30,343	9,152	(548)	38,947
Impairment loss of loans and debt securities	17,135	3,269	(218)	20,186
Profit (loss) before tax	6,462	17,882	(704)	23,640
Taxation	1,326	3,544	(82)	4,788
Net Profit (loss)	5,136	14,338	(622)	18,852
Total assets	612,931	1,294,104	(201,518)	1,705,517

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014			
	Retail	Commercial	Others	Total
Interest income, net	31,448	16,495	-	47,943
Other operating income	17,802	6,178	(1,163)	22,817
Total operating income	49,250	22,673	(1,163)	70,760
Operating expenses	26,574	8,053	(327)	34,300
Impairment loss of loans and debt securities	16,095	2,691	(680)	18,106
Profit (loss) before tax	6,581	11,929	(156)	18,354
Taxation	1,444	2,578	9	4,031
Net Profit (loss)	5,137	9,351	(165)	14,323
Total assets	543,367	884,740	(216,745)	1,211,362

7.27 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015			
	Domestic	Foreign	Elimination	Total
Total assets	1,702,383	16,083	(12,949)	1,705,517
Interbank and money market items, net (Assets)	188,961	5,133	-	194,094
Investments, net*	111,544	58	-	111,602
Loans to customers and accrued interest receivable, net	1,258,107	3,976	-	1,262,083
Deposits	1,044,326	1,964	-	1,046,290
Interbank and money market items, net (Liabilities)	274,213	847	-	275,060
Debt issued and borrowings	108,121	-	-	108,121

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014			
	Domestic	**Foreign**	**Elimination**	**Total**
Total assets	1,209,966	17,985	(16,589)	1,211,362
Interbank and money market items, net (Assets)	78,277	2,087	-	80,364
Investments, net*	61,641	149	-	61,790
Loans to customers and accrued interest receivable, net	968,439	7,182	-	975,621
Deposits	836,546	1,010	-	837,556
Interbank and money market items, net (Liabilities)	46,571	41	-	46,612
Debt issued and borrowings	151,805	-	-	151,805

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015			
	Domestic	**Foreign**	**Elimination**	**Total**
Total assets	1,649,833	15,332	(12,614)	1,652,551
Interbank and money market items, net (Assets)	187,101	5,111	-	192,212
Investments, net*	158,848	58	-	158,906
Loans to customers and accrued interest receivable, net	1,183,653	3,620	-	1,187,273
Deposits	1,050,108	1,964	-	1,052,072
Interbank and money market items, net (Liabilities)	276,739	507	-	277,246
Debt issued and borrowings	88,278	-	-	88,278

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014			
	Domestic	**Foreign**	**Elimination**	**Total**
Total assets	1,125,442	17,887	(16,589)	1,126,740
Interbank and money market items, net (Assets)	75,186	2,024	-	77,210
Investments, net*	108,934	149	-	109,083
Loans to customers and accrued interest receivable, net	864,206	7,181	-	871,387
Deposits	842,738	1,010	-	843,748
Interbank and money market items, net (Liabilities)	48,216	41	-	48,257
Debt issued and borrowings	97,268	-	-	97,268

*Includes investments in subsidiaries, associates Joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2015			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	81,750	209	(13)	81,946
Interest expenses	25,588	21	(13)	25,596
Net interest income	56,162	188	-	56,350
Fees and service income, net	17,193	37	-	17,230
Other operating income	16,124	(6)	(6,925)	9,193
Other operating expenses	65,870	188	(6,925)	59,133
Profit from operating before tax	23,609	31	-	23,640

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2014			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	74,388	221	-	74,609
Interest expenses	26,660	5	-	26,665
Net interest income	47,728	216	-	47,944
Fees and service income, net	14,743	27	-	14,770
Other operating income	11,464	(69)	(3,349)	8,046
Other operating expenses	55,548	207	(3,349)	52,406
Profit (loss) from operating before tax	18,387	(33)	-	18,354

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2015			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	57,244	182	-	57,426
Interest expenses	24,629	8	-	24,637
Net interest income	32,615	174	-	32,789
Fees and service income, net	8,416	30	-	8,446
Other operating income	17,593	(6)	(6,925)	10,662
Other operating expenses	42,360	115	(6,925)	35,550
Profit from operating before tax	16,264	83	-	16,347

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2014			
	Domestic	Foreign	Elimination	Total
Interest income	48,896	221	-	49,117
Interest expenses	24,693	5	-	24,698
Net interest income	24,203	216	-	24,419
Fees and service income, net	6,958	28	-	6,986
Other operating income	16,992	(69)	(3,349)	13,574
Other operating expenses	29,742	188	(3,349)	26,581
Profit (loss) from operating before tax	18,411	(13)	-	18,398

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.28 Interest income

Interest income for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Interbank and money market items	2,806	2,598	2,784	2,573
Investment and trading transactions	87	174	87	175
Investment in debt securities	2,462	1,956	2,459	1,952
Loans to customers	55,279	49,688	45,698	42,523
Hire purchase and finance lease	21,313	20,193	6,399	1,894
Total interest income	81,947	74,609	57,427	49,117

7.29 Interest expenses

Interest expenses for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Deposits	15,454	15,583	15,479	15,596
Interbank and money market items	1,665	1,484	1,690	1,504
Contributions to Financial Institution Development Fund and Deposit Protection Agency	4,941	4,076	4,941	4,076
Debt issued and borrowing				
- Subordinated debenture	1,125	1,600	1,125	1,600
- Other	2,369	3,904	1,383	1,916
Borrowing fee expense	28	4	17	4
Other	14	14	2	2
Total interest expenses	25,596	26,665	24,637	24,698

7.30 Fees and service income, net

Fees and service income, net for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Fees and service income				
- Acceptances, aval and guarantees	521	512	522	512
- Other	22,149	18,679	10,739	8,619
Total fees and service income	22,670	19,191	11,261	9,131
Fees and service expenses	5,440	4,421	2,815	2,145
Total fees and service income, net	17,230	14,770	8,446	6,986

7.31 Gains on trading and foreign exchange transactions, net

Gains on trading and foreign exchange transactions, net for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	4,064	1,496	4,084	1,508
- Derivative of interest rates	(846)	39	(846)	39
- Debt securities	7	21	7	21
- Equity securities	(10)	19	(14)	13
- Other	1	(1)	-	-
Total	3,216	1,574	3,231	1,581

7.32 Gains on investments, net

Gains on investments, net for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Gains on sales of investments				
- Available-for-sale	407	1,239	407	1,194
- General investments	2	8	2	9
- Subsidiaries and associates	-	-	-	5
	409	1,247	409	1,208
Losses on impairment				
- Available-for-sale	-	(10)	-	(10)
Total	409	1,237	409	1,198

7.33 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities (reversal) for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Interbank and money market items	6	(17)	6	(17)
Securities available-for-sale	(3)	-	-	-
Loans to customers	18,855	16,756	9,332	5,160
Loss on troubled debt restructuring	1,328	1,368	(145)	(93)
Total	20,186	18,107	9,193	5,050

7.34 Income tax expenses

Income tax expenses for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	**2014**	**2015**	**2014**
Current tax for the year	5,052	4,743	2,318	1,904
Deferred tax	(264)	(712)	(111)	(203)
Total income tax expenses	4,788	4,031	2,207	1,701

Reconciliation of effective tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2015		**2014**		**2015**		**2014**	
	(in million Baht)	**Rate (%)**	**(in million Baht)**	**Rate (%)**	**(in million Baht)**	**Rate (%)**	**(in million Baht)**	**Rate (%)**
Profit before tax	23,640		18,354		16,347		18,398	
Income tax at the domestic tax rate	4,728	20.00	3,671	20.00	3,269	20.00	3,680	20.00
Add Tax effect of income and expense that are not exempt for tax purposes	1,346	5.69	2,735	14.90	39	0.24	210	1.14
Less Tax effect of income and expense that are exempt for tax purposes	(1,286)	(5.44)	(2,375)	(12.94)	(1,101)	(6.74)	(2,189)	(11.89)
Income tax expenses as per statements of profit or loss and other comprehensive income	4,788	20.25	4,031	21.96	2,207	13.50	1,701	9.25

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rates were reduced from 30% to 23% of net profit for an accounting period beginning on or after January 1, 2012 and 20% of net profit for accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014.

In addition, According to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rates were reduced from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2015 but not later than December 31, 2015.

Moreover, on October 13, 2015 the cabinet approved to amend the Revenue Code by reduction corporate income tax rate rate from 30% to 20% permanently. Such Amendment was subsequently approved by the National Legislative Assembly on January 22, 2016 and currently be awaiting for publishing in the Royal Gazette.

Therefore, the Bank and its subsidiaries used a tax rate of 20% for the corporate income tax and deferred tax calculation for the years ended December 31, 2015 and 2014.

7.35 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the years ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	Amount before tax	**Tax income (expenses)**	**Net amount After tax**	**Amount before tax**	**Tax income (expenses)**	**Net amount After tax**
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	6	(1)	5	1,310	(262)	1,048
Gains arising from translating the financial statements of a foreign operation	4	-	4	-	-	-
Item that will not be reclassified subsequently to profit or loss						
Actuarial gains (losses) on defined Benefit plans	(289)	57	(232)	(528)	106	(422)
Other comprehensive income	(279)	56	(223)	782	(156)	626

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2015			2014		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	6	(1)	5	1,326	(265)	1,061
Item that will not be reclassified subsequently to profit or loss						
Actuarial gains (losses) on defined Benefit plans	(262)	52	(210)	(470)	94	(376)
Other comprehensive income	(256)	51	(205)	856	(171)	685

7.36 Reclassifications

The reclassifications in the statements of financial position as at December 31, 2014, presented for comparison are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	Current classifications	Previous classifications	Current classifications	Previous classifications
Deferred tax assets	4,983	7,889	485	2,642
Deferred tax liabilities	24	2,931	-	2,157

7.37 Event after reporting period

The Board of Director Meeting No. 1/2016, held on January 27, 2016 acknowledged that an agreement has been reached for the acquisition of all registered and issued shares (100%) of Hattha Kaksekar Limited ("HKL"), one of the leading microfinance companies in Cambodia. To comply with Section 107 of the Public Limited Companies Act B.E. 2535, the Bank will submit this matter to the Board of Directors to obtain shareholders' approval. This transaction is subject to satisfactory approval from the Bank of Thailand and/or other relevant regulators.

7.38 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 24, 2016.